Daily Report

Latin America

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FBIS-LAT-94-073 *15 April 1994*

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Venezuela's Sosa Says Free Trade Talks Stalled

PA1404180594 Mexico City NOTIMEX in Spanish 1500 GMT 13 Apr 94

[By Ren Avila]

[Text] Guadalajara, 13 Apr (NOTIMEX)—The free trade agreement that Mexico, Colombia, and Venezuela are negotiating is at a stalemate over Venezuela's disagreement with Mexico on the matter of asymmetry, rules of origin, and government purchases.

Venezuelan Finance Minister Julio Sosa Rodriguez said here in this western Mexican city that nevertheless, his country is fully confident the pact will be finalized in the next months. Interviewed within the framework of the 35th annual meeting of the Assembly of Governors of the Inter-American Development Bank (IDB), the Venezuelan official said that his country wants a total commercial opening.

He explained that the diversification of markets should be done in a just, equitable fashion so the three economies can reap equal benefits from the trade pact without any one country taking undue advantages.

"The southern part of the continent already has a common market. This accord with Mexico and Colombia is meant to establish a mechanism for opening with commercial exchanges that reflect guarantees as if we were a single country," he indicated.

Sosa says Mexico must recognize that Venezuelan products are at a disadvantage in the areas of basic industry and capital goods.

Sosa Rodriguez declined to comment on the obstacles that exist regarding the rules of origin and government purchases, although he said that no progress has been made on those topics because the negotiations have been delayed.

Sosa said that his country's oil will not be a subject for negotiation in the free trade pact since Mexico is not willing to do the same.

IDB Grants Loan to Ecuador for Environment

PA1404164294 Mexico City NOTIMEX in Spanish 2058 GMT 11 Apr 94

[Text] Guadalajara, 11 Apr (NOTIMEX)—Cesar Robalino Gonzaga, Ecuadoran minister of finance and credit, signed with the IDB here today a contract for $14.9 million for an ecological protection program.

IDB spokesman Carlos Brezina reported that the program is intended to reduce and control environmental damage in estuaries, mangrove swamps, and other natural resources along the Ecuadoran coast, as well as to strengthen the country's capacity to protect, handle, and rehabilitate coastal ecosystems.

Robalino said the program includes a subprogram to implement coastal resource development plans and to implement 120 projects for the administration of mangrove swamps and coastal areas, environmental cleanups, handling and conservation of marine resources, and community organization.

Brezina explained that the project's goal is to improve the economic opportunities of residents along the Ecuadoran coast and to increase revenues derived from ecotourism and aquaculture.

At the signing of the contract it was said the 2,860 km of Ecuadoran coastal line present [words indistinct] "conflictive" demands of tourism, the exploitation of shrimp and a [words indistinct], added that the project to be implemented by the Executive Directorate of the Program for Handling Ecuador's Coastal Resources will cost $16.5 million. Local funds for the project total $1.6 million.

The contract between the IDB and Ecuador was signed this Monday in Mexico's western city of Guadalajara within the framework of the 35th Annual Meeting of Governors of the institution. The meeting is scheduled to end on 13 April.

Cuba

Robaina Meets With Argentine President

Talks Said 'Very Positive'

FL1404134594 Havana Radio Progreso Network in Spanish 1100 GMT 14 Apr 94

[Text] Argentine President Carlos Saul Menem has received Cuban Foreign Minister Roberto Robaina on the first day of his 48-hour official visit to Buenos Aires, which both parties described as very positive.

Robaina, who met with the Argentine president for almost an hour at the Olivos presidential residence, said that the meeting was useful, positive, and friendly.

Argentine Acting Foreign Minister Fernando Petrella, who also participated in the meeting, told the press that the Cuban foreign minister's visit is very important, successful, and significant.

In remarks to reporters in Buenos Aires, Robaina, who on Wednesday also met with the Senate president and with the Senate Foreign Relations Committee, said that many more things unite the countries than separate them.

According to what was learned, Menem has proposed the forthcoming visit to Havana of a delegation of Argentine businessmen to sound out current conditions for trade and investments in Cuba.

Robaina, who was declared illustrious visitor by the Argentine congress, added that he also met with members of the Argentine stock market, with members of the community of Cuban residents in Argentina, and with leaders of the leftist coalition, Grand Front.

Robaina's visit will conclude within the next few hours with a popular act in Buenos Aires organized by several groups of friendship and solidarity that demand the end of the U.S. blockade against Cuba. Robaina will leave for Paraguay on 15 April.

Comments on Regional Rapprochement

FL1504013094 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Apr 94

[Text] Cuban Foreign Minister Roberto Robaina said today in Buenos Aires that Cuba's current foreign policy priority is to strengthen relations with Latin America and the Caribbean.

The Cuban minister, who was declared illustrious guest of Buenos Aires, today concluded his official visit to Argentina, where he outlined our country's foreign policy and explained the new trends in our economy.

Robaina said to the members of the Foreign Relations Committee of the Argentine Chamber of Deputies that the island has never felt less alone than at present, and, as illustration, pointed out that Cuba already maintains diplomatic relations with 146 countries.

Addresses Argentine Senate Committee

FL1504014794 Havana Cuba Vision Network in Spanish 0000 GMT 15 Apr 94

[Report by correspondent Roberto Cavada—recorded]

[Text] On 14 April, Foreign Minister Roberto Robaina addressed the Foreign Relations Committee of the Argentine Chamber of Deputies, where he again found a receptive audience when speaking of Cuba's reality. The meeting included those who adhere to campaigns to discredit Cuba on the basis of highly manipulated and politicized issues. In this regard, Robaina stressed that Cuba is willing to listen to any idea or opinion, but that it cannot allow anyone to decide Cuba's destiny and future, for this lies only in the hands of the Cuban people.

The issue of the Cuban debt to Argentina, estimated at $1 billion, was also discussed during Robaina's meeting with Carlos Sanchez, first vice economic minister [name and title as heard], and a large group of businessmen from various sectors. Regarding Cuba's debt, Robaina stressed that Cuba does not currently have the money or enough products with which to pay its debt. However, Cuba does not intend to pay its debt to Argentina or any other country by making an issue of it. Robaina added that Cuba believes the profits from foreign investments in sectors that generate exports is one way to pay the debt. He added that Cuba truly wishes to repay its debt and to create a climate in which to bilaterally take things one step at a time and with both feet firmly planted on the ground.

Robaina's agenda also included a meeting with former President Raul Alfonsin, and friends of Cuba who met to express their support and solidarity with the Cuban people.

Chinese Tourism Delegation Arrives in Havana

FL1504020694 Havana Radio Reloj Network in Spanish 0142 GMT 15 Apr 94

[Text] A group headed by He Guangwei, deputy director of China's national tourism administration, arrived in Havana today in response to an invitation from Cuba's National Institute of Tourism [Intur]. XINHUA reports that this visit is part of the agreement on bilateral cooperation in tourism, and that its objective is to have the specialists of the two nations exchange experiences in the sphere of tourism.

During the week they will spend here, the visitors will meet with Cuban tourism sector officials and will visit tourist installations in Varadero and Santiago de Cuba, as well as in Havana. The Chinese delegation was met at Jose Marti International Airport by representatives of Intur, of the enterprises Cubanacan S.A. and Gaviota S.A., and of the State Committee for Economic Cooperation.

Accord Signed With Colombian Education Ministry

FL1404184794 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Apr 94

[Text] The Cuban and Colombian Ministries of Education have signed in Havana a cooperation agreement. The agreement includes the exchange of experiences in preschool, specialized, general, polytechnical, technical, professional, and adult education, as well as in teacher training.

Colombian Official Signs Cooperation Accord

FL1504020994 Havana Cuba Vision Network in Spanish 0000 GMT 15 Apr 94

[Text] The final protocol of the conversations held this week by the joint commissions of Colombia and Cuba was signed on 14 April at the headquarters of the State Committee for Economic Cooperation [CECE]. The agreement includes areas such as education, science and technology, culture, and sports, among others. The agreement was signed by Colombian Vice Foreign Minister Andelfo Garcia [name and title as heard] and by Raul Taladrid, vice minister of the CECE.

Taladrid stressed the importance of this agreement, which opens wide the doors for mutual cooperation. Garcia thanked the Cuban delegation for the treatment he received and praised the efforts made by both delegations.

[Begin Garcia recording] First, we were trying to establish institutional channels through which our relationship with Cuba could be handled. Our aspiration is to broaden our relationship with Cuba. We are building a relationship unhurriedly but unceasingly. [end recording]

Cabrisas: Blockade Limits GATT's Effectiveness

FL1404184694 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Apr 94

[Text] Cuban Foreign Trade Minister Ricardo Cabrisas stated that the U.S. blockade against Cuba is an archaic Cold War policy and contrary to the trade agreements established in Marrakech, Morocco. During an intervention at the ministerial meeting of the Uruguayan Round of General Accord on Tariffs and Trade [GATT], Cabrisas pointed out that negotiating under the principles of the multilateral system does not seem to be on the U.S. Government's agenda regarding Cuba. He added that the U.S. blockade limits the positive effects of the Uruguayan Round for Cuba by keeping one of the most important markets of the world closed to Cuban exports.

British Tourism Company To Operate in Camaguey

FL1504013194 Havana Radio Reloj Network in Spanish 1932 GMT 14 Apr 94

[Text] The British (Tour World) company will begin operations in Cuba in early May at Santa Lucia Beach on the northern coast of Camaguey. This is Great Britain's fifth largest tourism company in terms of the number of people it serves. The company will have 140 rooms in the four-star Cuatro Vientos and Caracol Hotels. The British tourists will join those who prefer the attractions of Santa Lucia beach, the bulk of whom come from Germany, Canada, The Netherlands, and Italy.

Felix Moreno, regional manager of the Cubanacan S.A. Corporation, stressed that there was an increase in the number of tourists who visited this region of Camaguey in April. This region contains a little over 25 percent of Cuba's beaches.

New Plan Reportedly Bans Free Sale of Medicines

PA1404204494 Paris AFP in Spanish 1643 GMT 14 Apr 94

[By Alfredo Munoz-Unsain]

[Text] Havana, 14 Apr (AFP)—The free sale of medicines, with the sole exception of oral contraceptives, will be banned in Cuba, according to a drastic plan drafted by the Public Health Ministry which AFP managed to read.

A document entitled "Plan for the Improvement of the National Medicine Program" also indicates that aspirin and six other home remedies usually found in first aid kits will only be sold by minimal annual quotas and not in any pharmacy. Each Havana resident will be entitled to 40 aspirins each year, with one-quarter of the total to be distributed every three months. Rural residents will be able to cure fewer migraines, because they will only be allotted five aspirins per trimester.

An aromatic balsam and another balsam used as an inhalant, three skin disinfectants, and sodium bicarbonate complete the seven medicines that may be purchased without prescription, but only at the pharmacy closest to home. Quotas assigned to each family are usually minimal: 30 grams of ointments and balsams and three small bottles of disinfectant for external use each year. In comparison, the yearly quota for bicarbonate per family seems to be more generous: 160 grams.

Should they be available at pharmacies, another 64 medicines, which used to be freely sold, will now be available under medical prescription, but will be under multiple controls established by new regulations issued by the Public Health Ministry. These 64 medicines to be sold only by prescription involve a visit to a doctor and a visit to the pharmacy later. The inevitable delay in obtaining some of these medicines (for example, Kaoenterin, a diarrhea suppressant) will place ill persons in embarrassing situations. It seems that an equally deplorable possibility, but the opposite situation, will be created by the need to buy laxatives and ointments by prescription to relieve hemorrhoids under prescription.

A similar labyrinth will face those who will undoubtedly have to urgently buy lotions to combat head lice and "crab lice" [pediculos pubis] (pediculosis). Other medicines that must be sold by prescription are: antacids,

antihistamines, febrifuges, antimycotics [antimicoticos], digestive medicines, vitamins, hydrogen peroxide, and distilled water for shots.

The Public Health Ministry deemed as obsolete the active elements [principios activos) of 21 medicines that were eliminated, including milk of magnesia and lime flowers. It also added a list of medicines that are available in Cuba such as garlic syrup, pumpkin emulsion, guava powder, onion creme, fennel tincture, cress sachets, polen capsules, and various kinds of phytomedicines.

It also notes that an oral home serum (water, sugar, salt, and lemon drops) is also available for dehydration cases.

Lage, Torres Attend Harvest Evaluation Meetings

FL1504012994 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Apr 94

[Report by Camaguey correspondent Lucilo Tejera]

[Text] In Camaguey, Nelson Torres, member of the Politburo and sugar industry minister, has issued a call to those participating in the current sugar harvest to make a greater effort during this phase of the harvest. April is very important to the objective of increasing the quantities of raw product produced, and May must be the month in which operations are concluded, although a number of mills may continue to grind in June, said Torres during an analysis of the harvest in Camaguey, Las Tunas, and Holguin.

He stressed that a greater effort is necessary on the days when there is activity, and pointed out that it would be a good idea to increase the direct transportation of cane from the fields where it is being harvested to the mills. He also called attention to the fact that it is indispensable to apply alternatives at each place to reduce dependency on electric power provided by the national system, because during recent working days, collection centers were affected by interruptions in electric service.

During the analysis meeting, which was presided over by Carlos Lage, member of the Politburo and secretary of the executive committee of the Council of Ministers, it was reported that Las Tunas obtained the best results in principal indicators during the period 1-10 April, pushing Camaguey into second place. Camaguey had been in first place.

Roundup of Economic Activity 8-12 Apr

FL1204140694

[Editorial Report] The following is a compilation of fileworthy reports on economic developments carried on Havana radio and television in Spanish between 8 and 12 April.

Radio Rebelde reports at 1700 GMT on 8 April that Cubana de Aviacion has initiated flights to Caracas with a stopover in Bogota in an effort to enhance tourism. Tour operators Sol y Sun [as heard] Agency from Cubana de Aviacion, Nirvana from Venezuela, and G.M. Tropical from Colombia are taking part in this operation.

Rebelde also reports that during the recent Berlin International Tourism Conference, industry executives asserted that this year Cuba is one of the prime tourist destinations in Latin America and the Caribbean. To handle the projected increased in visitors, Cuba's Gaviota tourism enterprise is planning to open two new four-star hotels, a 260-room hotel in Varadero and a 242-room hotel in Holguin, and plans to build more facilities.

Cuba Vision Network at 2220 GMT on 8 April reports that the Sancti Spiritus paper factory has resumed activities upon the arrival in the country of the necessary raw materials. The factory will this month begin production of 2,000 tons of paper designated for that production facing paper deficits, such as cigarette boxes and school notebooks. Some 400 tons will be earmarked for a match factory. This year 19,000 tons will be earmarked for exports. Only one-third of the factory's capacity will be exploited, in joint operations with Latin American and European nations. Sugarcane bagasse is also used as raw material.

In the same newscast, Cuba Vision reports that the operator of a sugarcane harvesting machine has cut 1 million arrobas of cane during this harvest. The operator is the first woman in the country to cut 1 million arrobas; she averaged 10,000 arrobas daily despite continuous mechanical problems.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 9 April report that the steam-driven trains of the Orlando Gonzalez industrial complex in Ciego de Avila are the first of their type in the country to run on emulsified fuel and magnetized water. This experimental mixture has been used in the boilers of an asphalt plant in this province. Use of the emulsion has saved 43 tons of fuel. After 100 days of harvest, all locomotive engine parts are perfectly clean, which will result in great savings both in fuel and in labor. The report adds that the Sugar Industry Ministry has 200 of these locomotives.

Radio Rebelde at 1155 GMT on 9 April reports that the workers of the Hotel Caracol in Santa Lucia have decided to give health institutions all the hard currency they receive in tips during the month of April.

Radio Rebelde at 1700 GMT on 9 April reports that the German airline LTU will increase activity in Cuba. LTU expects to double the number of tourists—currently 26,000 a year—and plans to establish flights to Ciego de Avila in the near future.

Radio Rebelde adds that farmers in Matanzas have planted 109 caballerias of miscellaneous crops during March. The spring planting program comprises 900 caballerias of corn, pumpkin, cucumber, yucca, yams,

and plantains. Specialists stress that fulfilling the planting program is vital to meeting the needs of the people.

Radio Rebelde also reports that in San Cristobal Municipality in Pinar del Rio, the 93-94 sugar harvest is experiencing difficulties. A provincial expert adds that measures had to be taken to overcome delays, such as activating the Jose Marti Mill to help the 30 November Mill meet the sugar production goal, and mobilizing over 1,000 workers.

Radio Rebelde at 1700 GMT on 11 April reports that more than 120,000 poles of tobacco have been collected in Holguin, while peasants have already planted 23 caballerias of tobacco. This plantation is below its established goal because of bad weather. In San Juan y Martinez, Pinar del Rio Province, the municipal board has termed positive the results obtained in tobacco production by more than 100 producers who, for the first time, have received land to enlarge their plantations.

Radio Reloj at 1942 GMT on 11 April reports that Mexican Ambassador Carlos Tello Macias has presented a humanitarian donation to Raul Taladrid, vice president of the State Committee for Economic Cooperation. The 10-ton donation includes food stuffs such as rice, beans, and cooking oil, and cleaning items such as bleach and detergents, powder, and diapers to be distributed to the Carlos J. Finlay and Luis Diaz Soto Hospitals in Havana.

Radio Rebelde at 0900 GMT on 12 April reports that last year and during the first quarter of 1994, the Indalecio Monteco Metalworking Company in Ciego de Avila assembled 7,800 bicycles produced by the Caibarien Factory in Villa Clara. The bicycles are to be distributed among peasants and workers in Ciego de Avila. Through this effort, almost all peasant members of the Ciego de Avila cooperatives have bicycles.

Radio Progreso at 1100 GMT on 12 April reports that in Ciego de Avila the Agricultural Shops Enterprise has repaired 183 large and small irrigation pumps over the past 60 days. Last year the Agriculture Ministry received only 24 of these pumps essential to agriculture. This company is becoming more productive and efficient by following guidelines proposed by the workers parliaments.

In the same newscast, Radio Progreso adds that 17,000 Agriculture Ministry tractors and equipment are being serviced at ministry repair shops under a maintenance and repair program running through October. According to the director of the Agriculture Ministry mechanization department, 15 to 20 percent of machines presently out of commission will be recovered.

Roundup of Economic Activity 12-14 Apr

FL1404191894

[Editorial Report] The following is a compilation of fileworthy reports on economic developments carried on Havana radio and television in Spanish between 12 and 14 April.

Radio Reloj at 1945 GMT on 12 April reports that the goal of Havana Province's Agro-94 is to harvest 1.5 million quintals of tubers and vegetables. Potatoes constitute 900,000 quintals of this figure. A portion of this amount is to be distributed directly to the population and the rest stored in refrigerated facilities. The breakdown of the expected harvest is 190,000 quintals of carrots, 240,000 quintals of cabbage, and 130,000 quintals of plantains .

Cuba Vision Network at 0000 GMT on 13 April reports that an animal feed factory, the first in Cuba, is under construction in Primero de Enero Municipality, Ciego de Avila Province. The factory, which is 60 percent completed, uses Cuban technology and will produce 750 tons of feed daily. The product will be enriched with oils and honey, producing a Cuban feed that will serve, basically, to replace imported feed for poultry and pigs in Ciego de Avila Province.

In the same newscast, Cuba Vision Network reports that a bridge that is almost finished along the Caibarien-Cayo Santa Maria causeway is considered the biggest of its kind in Cuba. The bridge is over 7 meters high and 350 meters long and is expected to be finished by 21 April.

Radio Reloj at 1934 GMT on 13 April reports that the fishfarming center in Cumanayagua Municipality, Cienfuegos Province, has promised to produce over 7 million tilapia fry by the end of this year to be sown at dams and minidams. The radio also reports, from Cienfuegos, that a 2.5-megawatt turbogenerator has been installed at the Espartaco complex in Palmira.

Radio Reloj at 1940 GMT on 13 April reports that 250,000 campers have used campsites from January to date. During a press conference, Francisco Rodriguez, operations director of the National People's Camping Enterprise [Empresa Nacional de Campismo Popular], announced that, with a view to improving campsites, the price of lodgings and equipment rentals will be raised as of 1 May.

Radio Reloj at 1943 GMT on 13 April reports that 130,000 poles of tobacco have been collected to date by the cooperatives and small farmer sectors in Los Palacios, Pinar del Rio Province, a quantity that represents 50 percent of the plan for the current harvest.

Radio Rebelde at 2300 GMT on 13 April reports that Cuba expects to be ready to test a Cuban-made cholera vaccine in some Latin American country by the end of the year. Cuba is employing genetic engineering to produce the vaccine.

Radio Rebelde at 0900 GMT on 14 April carries an 1-minute interview with Colonel (Rene Alvarez Perez), chief of the Giron de Victoria unit in Havana Province, who says that members of the unit are supporting the potato harvest and that 630,000 quintals of potatoes and 29,000 quintals of carrots have been harvested. The unit has surpassed the original objective of 500,000 quintals of potatoes. This force of approximately 1,800 men has worked in six municipalities.

Radio Rebelde at 1700 GMT on 14 April reports that the British tourist operation company Sun World will tender its letter of credentials in Cuba to begin operations on the Santa Lucia beach in Camaguey Province. It intends to bring the first tourists by next month. The same report adds that at the close of the first quarter this year, as compared to the same period the previous year, Cubanacan's regional administration has reported an increase in the number of tourists brought to this northern coast beach.

The same newscast reports that the National Poultry Complex, the CAN, is celebrating its 30th anniversary. Agriculture Minister Alfredo Jordan Morales said that the CAN represents an example of organization, integrity, and efficiency. Despite difficulties affecting the supply of raw materials and other resources necessary for egg and poultry production, egg production has increased during the first quarter of this year. The CAN is capable of processing its own raw materials and to carry out complete production.

Radio Rebelde in the same newscast reports that approximately 500,000 tons of potatoes have been harvested in Matanzas Province with 15 caballerias yet to be harvested. This forecasts a lower result than expected. The setbacks this time are related to the appearance of insects. In Las Tunas Province, 1,240 caballerias of sugarcane were weeded during the past 10 days and 50 caballerias of cane were planted.

Reporters Discuss Improving Economy

FL1304013994 Havana Radio Rebelde Network in Spanish 1600 GMT 12 Apr 94

["Straight Talk" program by host Osvaldo Rodriguez of JUVENTUD REBELDE and guest Eloy Concepcion of the weekly newspaper TRABAJADORES—live or recorded]

[Text] [Rodriguez] Over the past few days, Cuba has once again experienced difficulties stemming mostly from the energy problem. We have especially been experiencing the effects of new blackouts, an increasing number of blackouts. This could perhaps create the false notion that the economy is regressing again, that we are doomed to a recessive situation.

I think our listeners deserve an explanation of our economic situation, that our economy is still going through the stages of a downward trend, but which can now be considered over. There are signs that the recovery process can begin at any moment.

Today I invited Eloy Concepcion of the weekly nespaper TRABAJADOES to discuss this subject with me. Eloy, take the floor, please.

[Concepcion] Well, you painted one situation. I think the visible face of an economic situation in a given country is often reflected in those things that affect us more directly. Unquestionably, the energy crisis is the essential point here and can reflect the country's situation, whether we are well or not economically, because of the implications it might have on our technological development, on our social and economic infrastructure, et cetera.

Now, independent of some details concerning the blackouts you mentioned, we must insist on some ideas that can somehow explain the current situation. I am one of those who have always expressed—and last year when the situation was very serious and spiraling, especially in 1993 when the economic situation was very difficult—I expressed a super optimism. And today I want to ratify this optimism based on some elements and facts showing that our economy is beginning a slight and slow recovery process.

As everyone knows, for instance, sugar is our main source of currency. The sugar harvest for a long time will be our main source of currency. And the current harvest, Osvaldo, is being carried out under very difficult circumstances. We are all aware that there are no spare parts, no rubber belts for tractors and harvesters, but that the workers have been very creative and have made tremendous efforts to fulfill our harvest goals.

A sugarcane recovery plan was also established, but was not fully concluded due to logical problems, such as the lack of fertilizers that are necessary for increasing the production levels. Fertilizers are necessary and they must be paid for in hard currency. We must also have fuel to run the pumps to irrigate the areas equipped with irrigation systems, et cetera. But I do have an idea that this year's harvest will be a bit better than last year's. This gives us another example of the resistance of our people and of the country under adverse situations, in the wake of the collapse of the socialist bloc, namely the USSR, and especially because of the Torricelli Law which seeks to torment and humiliate us. This is the first element we must consider.

[Rodriguez] I think it is also important to consider the viewpoint of the common citizen who has no access to the macroeconomic data and who is not informed about economic issues. The economy is improving or worsening to the extent that the situation also improves or worsens in his house, in his homelife. Society will experience the same with those phenomena we encounter on the streets called service, transport, and commerce. The common citizen will consider that those things are improving or worsening in accordance with

the quality of those services. For this reason, many believe that the increased number of blackouts is a sign of a deteriorating economy.

Eloy, you also wanted to talk about sugarcane and the sugar harvest situation. Well, everyone is aware of the material difficulties we are experiencing because last year we had the same problem. Next year I do not think the situation will be the same. But I think there are other aspects to consider positive within the Cuban economy. We must mention, for instance, the prospects in the sugar industry, and without talking about triumphalism, without saying that we have solved the problem, or that we have found the formula to solve this problem, we must first reach a consensus that we are on a path that will lead us to an improving situation.

[Concepcion] Yes, upon conclusion of the harvest, or even before concluding the harvest throughout the country, more sugarcane is being planted in clean areas, and I would say that in this special period, the efforts being made are yielding very encouraging results.

Osvaldo, there is another element that is likewise important: Tobacco harvest this year was the best in years. This is a point to be considered because it will also give us the possibility of obtaining currency at levels higher than last year when the harvest was affected by the Storm of the Century and by other adverse weather conditions.

[Rodriguez] We have to clarify that the profits from this tobacco, which still needs to be processed, will be seen by the end of 1995 or perhaps the beginning of 1996, due to tobacco's manufacturing requirements—either made into cigars, or sold in bulk. This crop's profit will be seen in 1995 or 1996.

[Concepcion] Yes. However, these are realities, rather than prospects.

Within these prospects we have tourism, which, as everyone knows, has experienced an increase of more than 30 percent in hard currency earnings. We can also mention the creation of the Basic Cooperative Production Units, which are quickly solving, more than only the food needs of 4 or 5 million Cubans linked to them—1 million direct workers and 3 or 4 million relatives. We can also mention the issue of the decriminalization of dollars [as heard], which, however, creates the well-known problems of privilege and inequitable situations. However, we cannot deny that the decriminalization of the dollar has also been an element that has helped reactivate certain elements of the economy. There are also the joint enterprises. There are over 130 of these contracts, which are reactivating our economy.

[Rodriguez] Allow me to interrupt. I believe you have forgotten certain things that represent significant developments: One is oil extraction in Cuba. Last year, we attained a record level of 1.1 million tons. This year, oil workers began January with a very high level which might forecast the breaking of last year's production record. Also, the price of nickel on the international market has improved. We have to add that biotechnology has been consolidating certain products and above all, has been gaining a space in the market. Recently, there have been reports about Cuban vaccines in certain Latin American countries and the welcome they have received in certain countries.

Eloy, we already discussed power outages as a symptom some people—I believe many people—see as a new deterioration of the national economic situation. I believe we have to discuss this further.

[Concepcion] My personal opinion is that in the case of power outages, there is a lack of information, or there is not enough information.

[Rodriguez] I agree.

[Concepcion] Those dry, brief notes from the Electric Enterprise regarding a situation that affects and hurts the entire population, are unacceptable. I believe our people are capable—they have proven so—of undertaking the greatest risks and difficulties so long as they are for independence, the preservation of the fatherland, and the accomplishments of socialism. I believe the people deserve everyday more, better, and more detailed information. As far as I know, there are breakdowns at electric plants due to the use of Cuban oil. Our oil is rather heavy and loaded with sulfur and this damages the entire national electric system. This is one factor.

The other is that many times the people complain that the power is turned off in some regions and not in others. Yet, no explanations are given. There are places where the power is maintained because there is a hospital or neurology center which needs the power to continue to operate and so their equipment is not damaged. There are also certain neighborhoods where we find this happening and this irritates the people. This can very well be solved by an explanation of the problem to the people. I do not believe the Electric Enterprise should be happy with a stark three- line note once a week saying the outages will occur here and there and there. Our people are not sheep. Our people are a revolutionary people who have proven themselves for years, who are capable of resisting and enduring the worst limitations so long as they save the Revolution and the fatherland. However, the people have to be kept well informed. They need to receive all the details and information so they are able to understand and better resist.

[Rodriguez] I believe that you have expressed the irritation of the people.

If he has been excessive, it is because of that. He is expressing the feelings of the Cuban people. I agree with you. I have discussed this with comrades from the Electric Enterprise. One of the excuses given is the highly technical details of the explanation. I believe that we ought to find a clear way of explaining to the people the difficulties at the electric plants, which are not always a lack of fuel. There is also lack of maintenance due to material difficulties. Last year, the electric plants should

have received investments or undergone maintenance that requires investments of approximately $60 million. However, I believe that what was invested was minimal. Therefore, the problems accumulate.

[Concepcion] We also need to know that the outages are going to continue to a greater or lesser degree. The outages recently increased because of a known situation, not sufficiently explained, but known—difficulties with fuel supplies from Russia. Russia is now saying that the fuel accords might be fulfilled. We hope so.

I believe that this situation will undoubtedly improve in the coming months. However, we need to clearly understand, and I believe the people do, that outages will continue—perhaps for four hours, perhaps five—until the Cuban economy becomes stabilized, so that we can restructure the entire national economy including all technological resources, which are high consumers of fuel. This will take years.

[Rodriguez] To this, we must add that what has been stated about Colombia's offer to sell oil to Cuba is on the basis of world market trading, on the basis of liquid payment, or simply a barter by which we sell to Colombia and buy oil from Colombia. However, this does not mean that great amounts of Colombian oil are going to be received, nor will it arrive on credit.

We need to understand that in Colombia we are going to have the advantage of not having middlemen between the Cuban Government and Colombia's oil company. Nowadays, when purchasing oil on the international market, one needs otherwise to resort to middlemen.

Thermoelectric Plants To Receive Spare Parts

FL1304154794 Havana Radio Rebelde Network in Spanish 0900 GMT 13 Apr 94

[Text] The Cuban Electric Union reported yesterday that the continuous and lengthy power cuts in the country are caused by serious generation problems.

Officials from the electric union last night reported that from a total generation capacity of 3,132 mw throughout the country, more than half is produced by thermoelectric plants built in Russia or Czechoslovakia. The thermoelectric plants in Santa Cruz del Norte and Mariel in the western part of the country, and Rente in Santiago de Cuba were manufactured by the Soviet Union, while the Nuevitas thermoelectric plant, which has a generation capacity of 550 mw, was built in Czechoslovakia.

Electric Union officials said Cuba has not received any spare parts for these plants since 1990, and only since May 1993 has the country has been able to maintain a certain level of spare parts for programmed maintenance operations and repair of unexpected breakdowns.

Right now, from that total generation capacity, 570 mw are affected by the plants' maintenance problems, 821 mw by breakdowns, and 372 mw by generation limitations—the equipment operating at lower capacity.

Some spare parts and other meterials necessary for a maintenance program are already in the country, while others are about to be acquired. These spare parts will allow recovery of the generation capacity of these plants.

Despite our economic limitations, the country has provided the necessary resources to make this inevitable investment, in an effort to solve the current problems as soon as possible. The lengthy power cuts will begin a gradual reduction process throughout the country, to the extent that the maintenance programs required by these plants are fulfilled.

State Licensed Taxi Drivers Interviewed

FL1304160494 Havana Radio Rebelde Network in Spanish 2300 GMT 12 Apr 94

[Second of a series of reports by journalist Carlos Santana Ojeda on unlicensed private taxi drivers in Havana; date not given—recorded]

[Text] [Santana] Yesterday, I presented the reasons and means of operation used by drivers of private cars who taxi for tourists. Today we will hear from their counterparts. We will hear the feelings of the Turistaxi drivers with whom I spoke to learn how they are affected by the illegal activity of these so-called pirates.

[First taxi driver] A lot. They are affecting our work.

[Santana] Why?

[First driver] Because they do whatever they want and charge less than we do. It affects us in regard to the fare because our fare is higher. When the tourist sees that we charge 15, and that they charge five or seven, they go with them, as can be expected.

[Santana] How is it with prices and distances?

[First driver] Our distances are gauged by a taxi meter, which begins with one peso or one dollar. Each kilometer is 35 cents.

[Santana] Are you also a taxi driver here, comrade?

[Second taxi driver] Yes.

[Santana] How much are you affected by their activities?

[Second driver] I would say our business is affected by 50 percent in one day.

[Santana] Do many tourists use your services?

[Second driver] Well, this tourist who is approaching us, for example, is Mexican and is being controlled by these illegal drivers because he has come to Cuba several times. That tourist likes to visit the prostitutes, and since he has been here before, already has directions. As a matter of fact, they even pick him up at the airport. We can no longer count on that tourist's business.

[Santana] According to some interviews I had yesterday, these illegal drivers say they give better service to the tourists. Is that true?

[Second driver] That is not true because we are prepared. We have even been trained. We are at the political level in language and tourism. We have gone to school for that.

[Santana] Is the tourist more secure with you than with those illegal drivers?

[Second driver] You want to know if the tourist is safer with us? With us, the tourist's life is insured. If anything happens to the tourist while he is with us, he has no problem because his life is insured. Furthermore, if the car breaks down, within seconds he has another car because we have a plant. These cars are new and are much more comfortable than those of the illegal drivers.

[Santana] Do you wait for the tourist to come to you or do you go to the tourist?

[Second driver] Well, we are lined up in front of the hotel. When the tourist leaves the hotel, he can see our cars, which are right in front of the hotel. What happens is that the illegal drivers enter the lobby. If he can enter, he controls the tourist and we can no longer count on that tourist. As a matter of fact, this type of illegal activity, which has increased lately, has, or we believe has, a contact in the hotel. They enter the hotel, make contact with the tourist, make an offer to the tourist, which is half of what we charge. The tourist does not think about accidents or any other situation, that if anything were to happen they would not be able to claim anything from the state. On the other hand, if they are in one of our taxis, they can demand insurance from the state. Besides, we are professional drivers who are prepared for this type of work.

[Santana] How do you think this situation can be resolved—by lowering the fares of the taxis?

[Third taxi driver] We believe the state must take measures regarding this situation. What kind of measures? Not by fining Cuban pesos because after making the conversion, if they are fined 100 pesos, it is $1. I therefore believe they should be fined in hard currency because they are working with hard currency. The first time, they should be fined $50; and the second time, their car should be confiscated. There are many problems here regarding the problem with cars.

[Santana] In this case, how would the problem be solved if this action were not taken?

[Third driver] The problem of our fares is already being analyzed. It is being reviewed to be more competitive.

[Fourth taxi driver] I believe our fares are a little high in comparison with capitalist countries. The tourism that comes here is generally from Latin America. In Canada, for example, a tourist is charged a high fare, but the salaries and the living standards of those countries is superior to Latin American countries.

[Santana] Has this been discussed?

[Fourth driver] Yes, all this was mentioned at the workers parliament.

[Santana] How do you and how will you defend your work from the illegal drivers?

[Fourth driver] We have already spoken to them and told them they cannot work here because it is affecting our work and is affecting the state. While we see them around here, they are going to have serious problems with us. We are not going to allow that here.

[Third driver] I wanted to point out that the problem that our comrade mentioned of lowering the fares—because they are a bit high—does not mean that they are going to be lowered to compete with those illegal drivers, because in this case there is no competition. We are a serious activity and they are people who are not serious in this aspect. Furthermore, they push propaganda. They tell tourists: Do not ride in those cars because they are too expensive and [words indistinct] by the police. They even do that. It is unfair and incorrect.

[Santana] Well, that is the opinion of the drivers of Turistaxi regarding the activity of the so-called pirates. But what do the tourists and the people on the street think about this? That will be covered in our next report. Thank you.

Energy Efficiency Engineers Graduate

FL1504003494 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Apr 94

[Text] Our country's first graduate course on energy efficiency has concluded at the Cienfuegos Higher Technical Institute following almost three years of academic and practical training.

Joel Domenech, president of the National Energy Commission, participated in the graduation ceremony for 17 electrical, chemical, thermal-energy, and mechanical engineers from various centers of economic importance in Cienfuegos Province.

Teaching Contingent Receives Anniversary Message

FL1504005994 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Apr 94

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, sent a message to the Third Manuel Ascunce Domenech Teaching Contingent, urging the contingent to continue defending the Revolution's achievements.

The letter was sent on the occasion of a provincial ceremony in Pinar del Rio commemorating the contingent's 20th anniversary. Education Minister Luis Ignacio Gomez was present at the ceremony.

Dominican Republic

Military Commission To Supervise Haiti Embargo

PA1504073994 Paris AFP in Spanish 1636 GMT 14 Apr 94

[Text] Santo Domingo, 14 Apr (AFP)—According to official reports, Dominican President Joaquin Balaguer today created a military commission to enforce, "throughout the national territory," the United Nations embargo on Haiti's military government. The commission consists of the minister of the Armed Forces and the chiefs of staff of the Army and the Navy.

The president's decree says the commission "is authorized to request logistical and technical support from the United Nations and its corresponding agencies to better fulfill the commission's mission."

However, this decision by Balaguer, who always opposed the embargo, seems to be a response to the demands of 48 U.S. Democratic congressmen for a more active role in checking the fuel contraband that "oxygenates" the Haitian military. According to the Dominican press, fuel is smuggled through the very same border checkpoints manned by the military.

A U.S. State Department official, during a visit less than a month ago, clearly advised Balaguer to check this operation. According to reports from Washington, the State Department expects Balaguer to ask the United Nations for observers to help Dominican troops watch the border to prevent the smuggling of gasoline, diesel, and other products sent to the Haitian military. Balaguer and his assistants oppose the embargo because they think it harms the Haitian people more than it harms the military who overthrew President Jean-Betrand Aristide.

It has been pointed out in official circles that, despite Washington's firm position, the transactions between Haitian businessmen and U.S. businessmen increased last year.

Analysts recall that Balaguer had hostile relations with Aristide when the latter was president and that Aristide accused Balaguer of permitting thousands of Haitian sugar cane cutters working at Dominican sugar mills to be treated as "slaves." Aristide even reported these lowly workers were denied the right to go to their villages, where they lived in barracks-like dwellings with no potable water, no electricity, and no social assistance. Aristide also reported that these workers worked more hours than allowed by Dominican law and that they worked for extremely low salaries.

Balaguer reacted to these charges by ordering the sugar cane cutters out of the country. The result was a "cooling" of relations with Port-au-Prince. When Aristide was deposed in September 1991, however, Santo Domingo accepted the Haitian ambassador and others as exiles.

Months ago, Balaguer and Aristide formalized their "rapprochement" when the ousted Haitian president visited Santo Domingo.

Haiti

Chamber President Monde Addresses Nation

FL1404144294 Port-au-Prince Radio Metropole in French 2300 GMT 13 Apr 94

["Text" of speech by Chamber of Deputies President Frantz Robert Monde on 13 April; place not given—recorded]

[Text] Haitian sisters, Haitian brothers: Our country is undoubtedly experiencing the most difficult moment of its history. Today, as has happened several times since our independence, we find ourselves alone, undergoing a severe, pitiless, and murderous universal quarantine. We cannot help remembering that it was also like that during the first half century of the existence of a dearly won independence, because we are alone. We are duty-bound to gather the scattered pieces of a torn nation for which nothing has ever been easy and in which nobody has ever been spared. It is at such moments that the men and women of this nation have always found the sense of compromise, of realism, and of the proud vision characteristic of our will to live together.

Haitian sisters, Haitian brothers, I make a point of addressing every one of you today because it is really necessary that a legitimate authority of this nation do so. This kind of dialogue is essential, especially in these difficult moments and because the ultimate resort is you. As for us, we are only your representatives. It is you who elected us. We must give you explanations, not only at the end of our respective mandates, but also and especially at this very important watershed and in view of the particularly perilous choices vis-a-vis our continuing existence as a sovereign nation. I address you today as president of the Chamber of Deputies and vice president of the National Assembly. The National Assembly constitutes the legislative power and is the joint securer of the national sovereignty.

In view of the extended absences of a president of the Republic and a prime minister; in view of the endless division prevailing within the Senate, it is my duty to talk to you about the peril that today threatens our existence as a sovereign people.

This peril is all the greater because our days are numbered. Between now and 9 May, the parliament must close the seventh session of the 45th Legislature and ensure the opening on 13 May of its eighth and final session. We must meet these constitutional requirements. It would be irresponsible on our part to mortgage

the existence of an institution which represents today one of the last ramparts of our fragile and imperfect democracy.

This peril is all the greater because the Dominican presidential elections scheduled for 15 May look tumultuous. It has become even more essential that Haitian society be governed.

This peril is all the greater because new elections aimed at renewing one-third of the Senate and the totality of the deputies and communal elected representatives are due to be held within only seven months.

Haitian sisters, Haitian brothers, since the beginning of the existence of our nation, we have experienced long periods of misgovernment; but for the first time, we have found ourselves—since the resignation of Prime Minister Robert Malval, which has been accepted by the president of the Republic—facing a complete absence of the executive. A resigning government can be in charge of dealing with day-to-day business, insofar as a date is set for its replacement. How can it deal indefinitely with day-to-day business when the higher authority from whom it comes does not seem to be overly affected by the incongruity of this situation?

Governing does not consist of dealing with day-to-day business. Governing is, first and foremost and especially, foreseeing, preparing, and facing the great collective rendezvous provided for by our laws and customs and especially by our fundamental law, the Constitution. It is not just a matter of the legitimate authorities' organizing great masses to celebrate the anniversaries of our Constitution. The sole responsible attitude consists first of doing what the Constitution orders done at the proper time and place.

For exactly five months, our country has had no government. The division that can be observed within the Senate, the Supreme Audit Court, and the administrative litigation cannot leave any citizen indifferent. One might say that they are autonomous entities that must be able to conduct themselves as grown-ups. But life also teaches us that no entity, no organization is safe from open conflict. It is therefore important that a supreme authority be concerned about using all powers of persuasion available to achieve an inevitable compromise.

This moral and legitimate supreme authority exists. It is the president of the Republic. He has the duty to be concerned with the smooth running of all the institutions and to intervene in a noncoercive way. Should the nonfunctioning of all these fundamental institutions not interfere with the sleep of a responsible president of the Republic? Should the absence of a prime minister and of a government not interfere with the sleep of of the president of the Republic? The president of the Republic has attached a number of conditions to the choice of a prime minister. Even our mother law does not set any particular conditions. The only stipulation to the spirit and the letter of the Constitution is that following acceptance of the prime minister's resignation, the president of the Republic, in consultation with the presidents of the two chambers, must fill the governmental vacuum. It is in this spirit that the parliamentary plan, inspired from the international conference in Miami convened by President Aristide, was developed and presented to the president of the Republic.

As president of the Chamber of Deputies and vice president of the National Assembly, I am assuming my right to observe that President Aristide obstinately refuses to fill this institutional vacuum. This vacuum does not prevent him from sleeping or from traveling around the world. On the other hand, it is comforting to find that some political formations, some socioprofessional organizations, groups of citizens from all social categories are becoming alarmed by the persistence of this dangerous vacuum. I am therefore taking this opportunity to pay tribute to all those who, in the face of this established fact, concerted themselves democratically to address their resolution or their petition to the legislative power. Our country needs and will increasingly need those conscious patriots who are closely following the evolution of public affairs. However, a large vision of this crisis commands us to clearly and firmly express our disagreement with some ways and means of filling this vacuum. We said it and are repeating it today: Our country committed itself, with the adoption of the 1987 Constitution, to building a state of law and institutional democracy. The permanence of the organs provided by this Constitution concerns all of us.

Just because President Jean-Bertrand Aristide persists in ignoring the spirit and letter of this Constitution does not mean that we should follow him and do the same. This is why we understand the meaning and impact of the latest resolution voted by an assembly of senators gathered at the initiative of the Honorable Senator Bernard Sansaricq. We can only have reservations about the crisis resolution option implied by this resolution [as heard]. This option sweeps away with the back of its hand the obvious, unavoidable fact that the political Haitian crisis arising from circumstances has been internationalized. We must accept the fact of this internationalization. Like everything, it has both good and bad sides. In the context of the globalization of events and interdependence of nations, our job and our duty as political officials consists of doing our best to maximize the good and minimize the bad.

As this political crisis has been internationalized, we have lost exclusive control and exclusive power to define the resolution options and make them effectual. We must also reckon with slowness, which is less the result of our crisis as such, than of the Department of the Interior data and policy of such and such a foreign concerned nation. Maximizing the good side means to be always ready to hold constructive dialogue with our foreign partners who bother to take honest steps to know our reality and our culture. To minimize the negative is to again refuse excessive interference and insincere gifts.

We have refused and will always refuse the crumbs of humanitarian aid that France has deigned to throw at us like one throws a bone to a dog. France wishes to maintain its prestige in international politics. We can certainly understand that. But why must France—in the absence of a true policy toward our country and our international conflict—use our children's hunger and our youths' distress as a pawn in international politics? It is even worse: By what perverse twist can one imagine that the people of Martinique are demanding French military occupation of our country? Do those people from Martinique have enough historic memory to remember the nobility of the address of General Dessalines [Haitian national hero who proclaimed Haiti's independence on 1 January 1804] to them in 1804?

We refuse and we will always refuse to believe in the good faith of the leading light of the Black Caucus, who has found nothing to propose but military occupation of our country. The Haitian nation has a long history of exchange and solidarity with black Americans. All our governments—from Toussaint Louverture [Haitian national hero who paved the way for Dessalines] to Dessalines, and from [Jean-Pierre] Boyer [president of Haiti from 1818 to 1843] to [Fabre Nicolas] Geffrard [president of Haiti from 1859 to 1867]—did their best to bring constant support to the struggle for emancipation of black Americans. But our governments and politicians never tried to intervene in national U.S. political space. Our country has scrupulously respected the pace of emancipation of black Americans in their own national space. Why can they not be as reserved with our internal struggles? Perhaps because they have become rich while we have remained poor. Franz Fanon [a writer from Martinique, author of the book, "Peau Noire, Masque Blanc"] was right: Those people, unfortunately, are still black skins, but with white masks.

For that reason, it is necessary today to continue, with all our bona fide partners, to attempt to define as accurately as possible the outlines of a realistic plan for a solution to the political crisis arising from the present juncture, by applying the necessary wisdom and pragmatism. The Governors Island agreement constitutes a framework, a reference, and a mechanism aimed at achieving an inter-Haitian dialogue between Haiti and the international community. At the same time, within the framework of our national space, we must take into account the daily management of public affairs and the collective appointments provided by our law.

I am convinced that it is possible for us to define a consensual option for the safeguard of our republican institutions. I am convinced that no Haitian citizen living in Haiti can imagine that it is through further weakening of, if not eliminating altogether, the current institutions that a democratic and consensual solution to the peril threatening us will be found.

A democratic solution necessarily implies reinforcement of the state and of the institutions in charge of offering services to the population. It necessarily implies disengagement of the Haitian Armed Forces from their traditional tasks and methods. The persistence of the institutional vacuum can only worsen an atmosphere of insecurity and increase the already too great number of violations of the fundamental rights of citizens.

Haitian sisters, Haitian brothers, the slowness that characterizes the search for a solution to the political crisis arising from the present juncture is crippling our country and is wearing all of us out. It has become imperative for us that we work on filling the current governmental vacuum and that we ascertain the feasibility of the coming electoral deadlines.

The constraints inherent in the difficult period we are facing force us to refuse any unilateral approach. That is why, as the vice president of the National Assembly and president of the Chamber of Deputies, enjoying the support of the majority of deputies and strong with the bloc [not further identified] of the Senate, I intend, beginning this week, to start a series of consultations with all sectors of our collective life on two points:

First of all, how to fill the current vacuum in the executive power, taking into account the deadlock that the parliamentary plan is facing due to the stubborn refusal of President Jean-Bertrand Aristide to appoint a prime minister.

Second, how to solve the upcoming problem of the expiration of the mandates of the entire Chamber of Deputies, of a third of the Senate, and of all the communal elected representatives.

We will neglect nothing so all sectors of our society can be consulted. This means we will consult with the great bodies of the state as well as the employers' and union associations, the socioprofessional associations, the Episcopal Conference, the Protestants, and the various political formations.

I would like—in concluding this address—to tell you that I continue to believe that with the complexity and incredible entanglement of our political crisis, there is no royal path for anyone. I also remain convinced that reasonable compromise solutions can be identified and applied. One might as well say that we are duty bound to move toward the definition of a political pact for the preservation of the institutional bases of Haitian democracy. I want to take this opportunity to solemnly call on you, Haitian sisters and brothers in general, and all important and unavoidable actors in our crisis, in particular. My call goes out to President Jean-Bertrand Aristide. I ask him on your behalf to assume his responsibilities toward the Constitution that he swore to respect. My call goes out to Lieutenant General Raoul Cedras. I ask him to refuse to listen to the perverse songs of the sirens and to do what his duty and his word of honor as a soldier order him to do.

Haitian sisters, Haitian brothers: I tell you of my admiration. I tell you the Chamber of Deputies is going to do what its duty orders it to do for you and for the well-being of our nation. Thank you.

Ties Between Aburto, Political Group Examined

PA1404185594 Mexico City LA JORNADA in Spanish 12 Apr 94 p 10

[Report by Correspondent Aurelio Garibay and special correspondents Salvador Guerrero and Jesus Aranda]

[Text] Tijuana, Baja California, 11 Apr—The Office of the Attorney General of the Republic is examining possible ties between Mario Aburto and a legal political organization that advocates Mexico's annexation by the United States. The leader of that organization, the American Union Party (PUA), Dr. Ernesto G. Messina, denies knowing the confessed assassin of Luis Donaldo Colosio, but he explains: "Mario Aburto Martinez is a great patriot and a great Mexican because he saved the country from the continued dictatorship we are experiencing and which we are trying to disguise as a democracy."

Documents obtained by local reporters and special correspondents covering the assassination of Luis Donaldo Colosio Murrieta, attribute to Gabriela Gonzalez, cousin of Graciela Gonzalez, the alleged girlfriend of Mario Aburto, statements to the effect that the confessed murderer used to visit a white building located between Madero and Revolution Streets. After exhausting various possibilities involving the location of that building, it was decided that it was the building that houses the clinic of the plastic surgeon who wrote the book entitled Mexico-United States of America Union: Worldwide Revolution.

Approximately eight years ago, Messina became a public figure when he decided to place a U.S. flag in front of his clinic on the first floor of an old building on Madero Street, between Third and Fourth Streets; he painted the last stripe on the flag green. He also disclosed that his clinic was the headquarters of the American Union Party and shortly after that the book, the title of which we mentioned earlier, went on sale. Also in 1992 Messina was involved in a controversy when "to protest against fiscal terrorism, anti- democracy in Mexico and police repression," he had a three-colored flag placed on a pole that projected from his clinic, but he had the national coat of arms removed from it.

This final action cost him a complaint for violating the symbols of the fatherland, and he had to go to the 4th Penal District Court every week to sign a document. He quoted Peruvian writer Mario Vargas Llosa, who in his book *The Fish in the Water* justified any means of ending a dictatorship wherever it might exist; within this context, he said that Aburto did not assassinate Colosio out of hatred or because Luis Donaldo Colosio was the person, but because "he personified the dictator's unilateral designation [dedazo]."

Mario Aburto, he said, is a patriot because he acted against a dictatorship, regardless of its nature. That is what does the greatest harm to the country and the world. The crime Aburto perpetrated, he argued, is justifiable because we are living in a dictatorship; it would have been objectionable if he had done this in a democracy as happened in the case of John F. Kennedy.

Messina said that Colosio's confessed assassin was never a member of his organization, but he would have liked very much if he had been because "he is a brave man who put his life on the line. He knew he could have been killed and despite this he did it in view of the inefficiency of the PRI [Institutional Revolutionary Party] candidate's security guards."

Regarding the possibility that Aburto acted alone, Dr. Messina trusts this is so because "we should not undermine his discernment capabilities. As you can see, that is what was said of Chiapas; that they were ignorant Indians who had certain rights and no more, and see what happened. They organized and how are they now?

Bishop Ruiz Cited on Status of Chiapas Talks

PA1404161094 Mexico City Radio ACIR Network in Spanish 0000 GMT 13 Apr 94

[From the "ACIR Radio News" newscast]

[Text] Bishop Samuel Ruiz, from Cuautitlan, today talked about the peace negotiations in Chiapas. The bishop said that these negotiations are not bogged down. The bishop said that the conditions exist for continuing the pacification process in southeastern Mexico. In addition, he said that the rebel groups will not participate in Mexico's electoral process because they consider it an opportunity to achieve the transition to democracy.

During the first working day of the Mexican Episcopal Conference's 56th full assembly, the bishop of San Cristobal de las Casas in a news conference, together with Archbishop of Chihuahua Jose Fernandez Artiaga, and Bishop Luis Reynoso Cervantez of Cuernavaca, and [word indistinct] Altamirano Raul Vera Lopez, indicated that the Mexican Catholic Church agrees that peace, justice, and reconciliation in Mexico have priority. Many of the demands made in Chiapas have a national bearing, particularly in reference to Indian dignity and perfection of the democratic process in Mexico.

Samuel Ruiz said that Camacho Solis, as representative of the federal government, and the members of the EZLN [Zapatista National Liberation Army] are very willing to continue the peace dialogue. In this regard, there are broad hopes, Samuel Ruiz said, for peace with justice to be achieved in Chiapas. To conclude, he made reference to the dialogues that have been set up between cattle men and businessmen of Chiapas to do away with divisions; particularly dangerous bellicose attitudes that prevent social peace in that southeastern Mexican state. Here is Juan Carlos Antoyo reporting from San Cristobal de las Cases:

[Antoyo] Good afternoon, I would like to clarify that we are in Tuxctla Gutierrez. In our opinion, the bishop from San Cristobal does not seem to have knowledge of the

last statements made with reference to this peace process by the EZLN, more specifically by Subcommander Marcos. Those reporters who have had access to the jungle, to the marking of the 75 anniversary of Emiliano Zapata's death, are under the impression, and Marcos assured, that currently, the necessary conditions do not exist for the dialogue to be resumed in Chiapas. They also said that while the EZLN remains on full alert it is not willing to carry out the internal consultation; therefore this is one more obstacle. One must recall that the EZLN had decided that to arrive at a decision on a second encounter, the internal consultation must take place first. This consultation has been suspended, this suspension has been in effect for approximately 20 days.

Meanwhile I will tell you that the [word indistinct] Chiapas Governor Javier Lopez Moreno asked the National Commission on Human Rights [CNDH] to issue a recommendation on the investigations on the 21 persons under arrest. Twenty of these individuals who are at the [word indistinct] penitentiary have been on a hunger strike for 12 days. After visiting this penitentiary where these 20 persons, accused of belonging to and supporting the EZLN are incarcerated, the governor said that the recommendations made by the CNDH are very important for one who attempts to govern with social justice and to reestablish an agreement among the Chiapas residents.

In a letter addressed to CNDH President Jorge Madrazo Cuellar, Governor Lopez Moreno indicated there are no doubts that the judicial system and the Attorney General's Office in general have acted in good faith and in keeping with the law. In order to clear up or eliminate any doubt, the CNDH resolution is therefore important.

At the same time Marcos Arturo Lazar Villa, president of the Supreme Court of Justice of Chiapas, talked about the legal procedure that could be applied in the case of those 21 persons, among whom 20 are on a hunger strike.

[Begin recording] [Antoyo] What is the legal situation they are facing? What can be done so they can obtain their freedom at some time?

[Lazar] The defense attorney always tries to look for the alternatives for liberty. Currently, the alternatives prevailing are those that I have mentioned: the dropping of the charges, this corresponds to the Attorney General's Office. The amparo filed is another alternative; this is also being taken into consideration. There is also the possibility of [words indistinct] data. There are many possibilities available but everything depends on what the federal authorities will resolve. [end recording]

To conclude, we want to report something that drew a great deal of attention. Today, during an interview with Milton Morales Arroyo, president of the local Congress, he said that the municipal presidents are partially responsible for the situation in Chiapas as they have forgotten a basic principle in politics, that is to respond to the people's demands. They have devoted their time to constructing public works, and in many of these mishandling of public funds has been detected.

Salinas on Land Reform, Ejido Continuation

PA1404214494 Mexico City LA JORNADA in Spanish 11 Apr 94 p 3

[Report by Emilio Lomas]

[Text] Cuernavaca, Mor. [Morelos], 10 Apr—After vindicating the struggle of Emiliano Zapata, "which is still alive," President Carlos Salinas de Gortari warned there will not be setbacks in the constitutional reforms drawn up in favor of the Mexican countryside. Salinas also stressed that large landholdings will not reappear in the country, particularly at a time when farmers are facing an unfavorable international situation.

During the ceremony marking the 75th anniversary of the death of General Emiliano Zapata, which was held at the Teopanzolco Municipal Auditorium, the president emphasized that the ejido [a form of land tenure] is not going to disappear, adding that the laws have been adapted to the new times the country is experiencing. Salinas remarked that the struggle of the southern leader [Zapata] is still legitimate, and in Mexico we must reverse the circumstances of misery and poverty still prevailing in the countryside.

Accompanied by Morelos State Governor Antonio Riva Palacio Lopez, the secretaries of agriculture and agrarian reform, Carlos Hank Gonzalez and Victor Cervera Pacheco, respectively, Agrarian Ombudsman Arturo Warman, and the leaders of the largest peasants organizations of the country, President Salinas said significant progress has been made in the countryside, but the work is not over yet.

"We still have a lot to do, but we are not going to ease up; on the contrary, we are going to redouble our effort and increase benefits for peasants. From the government of the republic, we will work harder and with greater dedication and determination," Salinas underscored. He said he had come to this area to commemorate an anniversary of sadness and hope: "The 75th anniversary of the injust and unacceptable death of Emiliano Zapata and also 75 years of commitments and work in favor of Mexican peasants."

Salinas said many of the aspirations of Emiliano Zapata have come true and evidence of this is the exceptional agrarian reform. Nevertheless, he explained, Mexico has changed and new problems and opportunities appeared along with this change, so it was also necessary to promote changes in the law, institutions, and practices.

Salinas asserted these changes were proposed by the very peasants, "because the previous instruments were inadequate for the country we had." He mentioned his government has continued to support the banners of transformation in favor of peasants. The president added that is why greater legal assurance has been given

to land ownership and freedom to decide and, above all, to reaffirm the patrimony of their children."

The president recalled the modifications to Article 27 of the Constitution and said to this end that intense talks were held with peasant organizations and the very men and women of the countryside. This, he said, allowed the ejido and communal property to become part of the Constitution, while it permitted ejidatarios [land holders] and communal property owners to decide on what fit their needs best. Salinas said the assembly, which is a democratic organ where ejidatarios and communal owners issue their views, was strengthened. This reaffirmed the ejido is not going to disappear, but on the contrary will be strengthened as a fundamental expression of social property in our fatherland, the president explained.

He then spoke about large landholdings and said that since that time it was banned from the Constitution; "large landholdings are not going to reappear; they have disappeared from the history of our fatherland."

Later Salinas recalled that in January of this year, 200,000 land titles of Procede [expansion unknown] were delivered and 200,000 more were delivered today here in Morelos, where now two out of every three ejidatarios own titles to their land. Also today the executive delivered new contributions to the countryside because he said his government has decided to definitely modify the way in which peasants are supported. Thus, during the Autumn-Winter cycle, Salinas asserted that approximately 700,000 peasants will receive in their hands a direct support check, such as the ones he presented today to Morelia peasants.

Salinas said that 3.5 million peasants will receive direct support for the Spring-Summer cycle, while "in the past 2 million received nothing. Today, they will have this addition to their family income guaranteed.

He also recalled that in all this process to reactivate the Mexican countryside, the problem of overdue credits was resolved and accepting their word, more than 1 million peasants received support from the country. He added that we have also modified commercialization mechanisms and are now working on productive infrastructures, "but we have not finished yet. We will continue moving forward with firmness and determination."

He then noted that the international situation is not favorable for farmers and that Mexico must reverse the conditions of neglect and poverty that still prevail in many rural areas. He stressed that the government will not slow its pace and will redouble its efforts and will achieve more benefits for the Mexican countryside. He said that the government "will work harder, with more dedication and enthusiasm. We will not stop."

In his speech, Governor Riva Palacio said that today we remember the sacrifice of the hero of Anenecuilco, who struggled to give land to the Mexican peasants, "but for us his immolation means that he won a place in history and glory that the fatherland reserves for its children who give everything seeking justice for others."

Riva Palacio added that we are happy because this celebration takes place within the framework of the delivery of 15,831 agrarian titles. He added that this makes a reality of the modernization of the Mexican Constitution, in order to align with the current world, based on programs derived from the Ayala Plan, which reflects the thoughts and ideals that inspired Zapata's struggle to achieve justice for peasants, reforms, liberty, justice, and law. He said that those thoghts and ideals are present in the adjustments that serve as a basis for the new agrarian reform.

He stressed that those ideals were also made a reality through Procampo with the delivery to rural producers of 3,000 certificates of payment which, as direct encouragement, permit the competitiveness in a different market without affecting the income the Revolution gave them for working the land.

In that manner, Riva Palacio said, an act of agrarian justice has been made by granting titles and economic support that will enable Mexican peasants to receive justice and to project themselves into Mexico's future of democracy, and liberty.

Commerce Secretary Views Effects of GATT, Trade

PA1404173894 Mexico City UNOMASUNO in Spanish 11 Apr 94 p 16

[Report by Luz Arcelia Camarena M.]

[Text] Jaime Serra Puche, secretary of commerce and industrial development, said yesterday that Mexico emerged stronger from the Uruguay Round because it provides a firmer multilateral framework for Mexico's efforts to diversify trade with countries with which it has not negotiated free trade agreements.

Shortly before departing for Marrakech, Morocco, where the signing of the Final Document of the Uruguay Round of GATT is scheduled to take place, the secretary of commerce and industrial development said that "the agreements of the Uruguay Round will be crucial in promoting world trade of goods and services, as well as in facilitating the flow of capital and the transfer of technology." The GATT will reportedly go into effect on 1 January 1995.

Serra highlighted that "the creation of this new framework for world trade complements Mexico's free trade agreements with other countries." Additionally, Serra stressed that "the Uruguay Round will considerably improve expectations for a more favorable international arena, creating jobs and greater business opportunities for Mexican exporters."

The basic objective of Mexico's participation in the Uruguay Round, he said, was to obtain at the multilateral level

stable and safe access for our exports to international markets, in reciprocity for the autonomous measures of trade liberalization adopted in the last few years.

According to the GATT Secretariat, world trade of merchandise will increase 12.4 percent between 1995 and 2005 as a result of the agreements reached at the round, generating an annual increase in the world's gross domestic product of $230 billion for the same period.

In this regard, the secretary of commerce and industrial development affirmed that Mexico has the potential to increase its participation in world trade because the country has a comparative advantage in some sectors where growth is predicted, particularly textiles, clothing, agriculture products, prepared foodstuffs, and beverages.

Serra remarked that "political stability and international security depend on the permanent generation of wealth through international trade and the equitable distribution of that wealth. The changes undertaken by most countries pose great challenges to the world society. The process of globalization requires a trade system that facilitates the exchange of goods and services to permit all countries to benefit from the scientific, technological, and cultural contributions that appear in the different areas of the world," Serra concluded.

Honduras

President, Army Chief Hold News Conference

PA1504153494 Tegucigalpa Voz de Honduras Network in Spanish 2100 GMT 14 Apr 94

[News conference by President Carlos Roberto Reina and General Luis Alonso Discua Elvir, commander in chief of the Honduran Armed Forces, with unidentified reporters in Palmerola; broadcast in progress—live or recorded]

[Text] [Reina] ...institutions that have social claims should return to the bargaining table, and from there we will ensure the harmony necessary for national peace.

[Reporter] Mr. President, I for one have faith in you. Do you believe there is some sort of plot to destabilize you behind all of this?

[Reina] I do not think so. What there has been is uneasiness, impatience, and disharmony. For example, government changes bring about too many expectations, and all of these expectations cannot be satisfied immediately. Therefore, we are asking for time. After we are in office for 100 days, we will make a public statement. I have asked the Liberal Party for a two-year truce to avoid all internal strife until the government has stabilized.

[Reporter] Honduran civilian workers at the U.S. base here are worried, and a group of them asked me to ask you whether this base will be closed, leaving them without work. I told them not to worry, that everything is fine. What is your opinion, Mr. President?

[Reina] Everything is indeed fine. The new situation in America and in the world makes bases like this useful in times of peace. Not everything can be viewed within the context of war. These discussions are going to produce the greatest benefit in terms of U.S-Honduran relations.

[Reporter] With all due respect, Mr. President, I want to ask General Luis Alonso Discua Elvir a question. General, does the kidnapping of this deputy worry you? You look worried.

[Discua] Yes, this situation is regrettable. Proper orders have already been issued to all Public Forces command posts and to the various Army units in the departments where they might have taken the deputy. All appropriate steps have been taken, but it is regrettable that something like this could take place. We had enjoyed relative calm up until now and have not had cases such as this one.

I believe I once mentioned that open borders would give us plenty of problems because of the entry of undesirables. I theorized that in the decade of the 1980's and the beginning of this decade, problems linked to internal conflicts in Guatemala, El Salvador, and Nicaragua would cause us problems if we maintained an open border. Honduras has remained relatively calm and, therefore, has kept acts such as this one more or less at bay. I had forewarned of this, however, and this justifies my concern right now.

[Reporter] Mr. Luis Alonso Discua, can we assume this is a political problem, or is it common crime?

[Discua] No, I do not think so. I believe it is likely to be common crime. We must remember that recently police and Army patrols have clashed with criminal gangs from Nicaragua. We have already had one death—a 9th Infantry Battalion corporal—and another person was wounded. This worries us, and we have stepped up our patrols all along the Nicaraguan border. We should take note of the geographical location of the kidnapping —a place called Las Delicias, 15 km from San Esteban. The deputy was on his way to his lumberyard. It seems the kidnappers knew who was traveling, and they left a note trying to give credit to an armed political group called Los Chinchoneros. I tend to believe they are most likely common criminals.

[Reporter] Gen. Discua, the social segment of this 14 April homage to President Reina has been interrupted. We have also seen that in an extraordinary meeting moments ago you have also taken measures to protect members of the legislative branch in various parts of the country.

[Discua] Yes, I have already issued all of the necessary orders. I will await any information the police director, Army unit commanders, or Army intelligence might be able to gather. We want to do away with this sort of situation, which disrupts domestic order and creates uneasiness among the Honduran people.

[Report] Gen. Discua, we see that however united the Armed Forces stand around you as their leader, there is still criticism from both within and outside the service.

[Discua] This is understandable. We are starting a new government. There are great expectations. There are groups that want to act to grab power, and there are groups that are trying to detract from the institution and its leaders. This is normal, and I believe things will quiet down in due course. There are great expectations within Honduran society. The president has already mentioned this, and this is what is causing all of this unrest.

[Reporter] Finally, Gen. Luis Alonso Discua: These events are worrying the Honduran people. The president has spoken, and now you speak as the person who is in control of the nation's security. What do you recommend the Honduran family do to maintain calm, order, and tranquillity?

[Discua] The police have been alerted as well as the Army. This situation is regrettable, although we have already seen this type of thing taking place in other Central American countries, although not in Honduras until now. We were aware that this could happen in Honduras, as well as many other things. Although Honduras is relatively calm, we can nevertheless expect

violence because we have open borders without any immigration controls on entering Honduras, and this has helped undesirables enter the country to carry out violent acts such as this one.

[Reporter] Gen. Discua, last night I listened to the Voice of America, and the comments made about you were excellent after your statements at midday.

[Discua] Yes, this is the way the Armed Forces feels. As its representative, I am clearly identified with the process that has been going on for a little more than a decade. The Armed Forces has been the main factor behind the country's return to legality.

[Reporter] VOA analysts used you as an example for all of Latin America.

[Discua] This pleases me. It inspires me to continue my mission—a mission that is not easy at this moment. We have left behind difficult times such as the Cold War and the ideological war, and we are beginning a process in which the factors are different, events are different, and other enemies have to be faced. I am asking all of the Honduran people to give their support and all of their trust to the president. As he has said, these are expectations that have arisen, but we hope to find the proper road to the development the country needs so much.

Foreign Minister on Costa Rican Official's Visit

PA1404195394 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 12 Apr 94

[Interview with Foreign Minister Ernesto Paz Aguilar by Reporter Roberto Reyes Pineda at Toncintin Airport on 11 April; from the "This Very Day" newscast—recorded]

[Text] [Paz] The Honduran Government is very pleased with the working visit by the president [title as heard] of Costa Rica, by President Figueres. There is no doubt that we have made progress on the road to integration, on the road to rapprochement with the Central American peoples.

[Reyes] Is the position Costa Rica has maintained in the past few years going to change with the arrival of Jose Maria Figueres?

[Paz] Yes, we believe that the National Liberation Party's leading of the Costa Rican Government, will ease the Central American integration process. It will ease the rapprochement Costa Rica should undertake with the rest of the Central America.

[Reyes] Was an agreement reached with President-elect Figueres?

[Paz] No joint communique was signed, given that he will not take office until 8 May. Nevertheless, the doors have been opened for a dialogue, the channels of communication have been opened between both governments.

[Reyes] Is there anything specific with regard to trade relations, the increase that could take place in this sector?

[Paz] Basically we talked about the impact the signing of NAFTA has had and its repercussions on Central America; what position should we Central Americans take on this free trade agreement which is a challenge to our nations. We also talked about structuring a common strategy to face problems such as the marketing of coffee, the price of bananas, and so forth.

[Reyes] Was Mr. Figueres asked about Costa Rica's experience as a member of GATT, given that Honduras is on the verge of becoming a member?

[Paz] If I recall correctly, at the Latin American level there are just two nations that are not members of the GATT, that is Panama and another South American nation. These, however, will join in the coming months. Costa Rica does have a long history and vast successful experience in the integration of the Costa Rican economy in the new international business structure.

[Reyes] How are the good relations between Honduras and Costa Rica seen in the coming years?

[Paz] I can say we have very good relations, and we expect to develop and enhance them even further.

Correction to Foreign Minister on Immigration

PA1204143294

The following correction pertains to the item headlined "Foreign Minister on Halting Illegal Immigration," published in the 12 April Latin America DAILY REPORT, page 26:

Column one, paragraph eight make read: ...Honduras' diplomatic victory in its virtual election as a nonpermanent member of the UN Security Council.

This would be... (rewording, supplying dropped words)

Nicaragua

FSLN Leader on Enhanced Structural Adjustment

PA1404185694 Managua Radio Sandino in Spanish 1200 GMT 11 Apr 94

[From the "Events" newscast]

[Text] Tomas Borge, member of the Sandinist National Liberation Front [FSLN] Board of Directors, said the FSLN does not oppose the Enhanced Structural Adjustment Facility [ESAF]. It opposes the harsh terms contained therein. Borge said at a FSLN political activity held during the weekend that they do not oppose the foreign resources that the signing of the ESAF by the national government and the IMF would guarantee. Borge disclosed that the FSLN told the government and the ESAF experts during a meeting held last week to

discuss the terms under which the financial institution would loan the government approximately $82 million, that those resources should be earmarked mostly for production and not for the payment of Nicaragua's foreign debt.

According to the Sandinist leader, they proposed to Violeta Chamorro's government as well as to the IMF that the freezing of the foreign debt should be urged. To avoid a social outbreak in the nation, they also proposed less harsh terms with regard to a massive dismissal of government workers, as well as other terms that will adversely affect the needy sectors. Nevertheless, the government paid no heed to the FSLN recommendations.

Tomas Borge said the nation must unite to face the international financial institutions and their impositions. The FSLN leader stated that only the nation's unity can save it from the disaster resulting from the measures that the IMF will impose through the so-called ESAF agreement. To approximately 200 FSLN members this weekend, Borge made reference to the ESAF as follows:

[Begin Borge recording] We cannot go against the possibilities of foreign aid for this country. Therefore, we do not oppose the ESAF in general. What we oppose are [words indistinct], the conditions, the terms set out, and terms of the agreement. These matters deeply violate the nation's sovereignty. Currently, however, sovereignty is described in other terms - we cannot speak in the same terms as in the past.

The international financial institutions are now going to decide on Nicaragua's internal budget and tax policies. The high-ranking leaders of the private sector have decided this. I am very pleased that [words indistinct] government its fiscal policy. But if I were the government I would be ashamed if a condition is imposed on me. [Words indistinct] outright violates national interests. Many of the aspects agreed upon, in principle, violate the nation's Constitution and other laws. What is more, it is indicated that if any law of the Republic approved by the Legislative Assembly contradicts this agreement, such as [words indistinct], it will be vetoed by the Executive Branch.

We believe that the international organizations should, in effect, contribute to this country with foreign aid, as long as it does not harm the nation's sovereignty and dignity, and much less harm the workers' rights. The outlook for this country is greater poverty, growing unemployment, and generalized hunger. This is what it appears to mean. Now, what choice do we have? It think it would be wise to unite the whole nation, [words indistinct] if the government itself were united. [end recording]

Panama

Endara Asked About Expected Announcement

PA1404184194 Panama City Telemetro Television Network in Spanish 1730 GMT 14 Apr 94

[From the "Telemetro Reports" newscast]

[Text] Seven hours before the awaited presidential announcement, President Endara has again asked the Panamanian people to be patient. He neither confirmed nor denied that the announcement he will make tonight is linked to fellow party members' involvement in a scandal involving duty free stores.

[Begin recording] [Unidentified reporter] Is the announcement you will make tonight linked to members of your party being involved in the contraband scandal?

[Endara] I am not going to discuss that subject now. Please be patient, you only have to wait seven hours.

[Reporter] Is the situation so critical that you have called a special council [consejo extraordinario] meeting minutes or hours before the announcement?

[Endara] Yes, I thought it was advisable, and therefore I called a meeting yesterday. It was initially scheduled for 1600, but I had to postpone it until 1700 due to a last minute appointment.

[Reporter] Is all this related to the announcement you will make tonight?

[Endara] Yes, it has to do with the announcement.

[Reporter] Will they accompany you?

[Endara] Yes, they will accompany me. [end recording]

Endara Announces Decision To Release Videotapes

PA1504010394 Panama City Radio and Television Networks in Spanish 0004 GMT 15 Apr 94

[Message to the Nation by President Guillermo Endara from the Palace of the Herons in Panama City on 14 April—recorded]

[Text] Fellow countrymen: One of the most important duties I have as president of a transition government moving the nation toward democracy is to ensure clean and free elections. I have committed myself to this because the country needs it. I have put forth my best efforts to ensure that the traumas we have traditionally experienced during similar situations not be repeated, especially the shameful experience of the May 1989 elections.

However, it is one thing to guarantee free elections, and it is another thing to remain silent while, amid the heated electoral campaign, my government is being subjected to unfair criticism that neglects the very special circumstances under which we have had to work.

Within this context, I have decided to make public some material of genuinely historical value. I learned of the specific contents of this material only a few days ago. Since then, I have conscientiously weighed this in my mind. I deliberated greatly on whether or not I should disclose its contents. In the end, what weighed most in terms of my decision was the knowledge that my teacher, Dr. Arnulfo Arias Madrid, would have disclosed this material if he were in my position, because, if the voice of the people is indeed the voice of God, then the people are sovereign and have a right to know. The truth must not be hidden from the people, especially truth that is relevant when important decisions must be made. My conscience would bother me if, knowing that this material is in my hands, I did not inform the Panamanian people of its contents.

The film clips you will now see are only a sample of hundreds of films personally recorded by public officials of that time—tapes that were filmed and recorded by the officials of those days. They were the only ones who filmed this material. You will see their faces and hear their voices in all their crudity. They are official Presidency documents that I am making public. As a Panamanian these truths embarrass me and fill me with great shame. However, this happened in our country.

As president, I would not like to see this happen again in Panama. However, this does not depend on me. It will depend solely on the Panamanian people's choice on 8 May. I will hand over power to the person elected by the people.

Thank you very much.

Video Clips Shown on TV

PA1504025694 Panama City Radio and Television Networks in Spanish 0010 GMT 15 Apr 94

[Video montage of recorded footage of events leading to the 1989 U.S. invasion of Panama; narrated by unidentified announcer; released to the public by Panamanian President Guillermo Endara following a recorded message to the nation in Panama City on 14 April]

[Text] [Announcer] The military and civilian dictatorship's regime turned the Electoral Tribunal [TE] into a machine to thwart the people's decision and to carry out political persecution. Elections were only bogus processes to maintain an international image. [video shows former National Bank Manager Jaime Simmons addressing a meeting]

[Simmons, identified by caption] Therefore, I want to present a serious proposal here, Mr. President—that we coordinate the 100,000-odd officials we have on the payroll, with the presence of the distinguished TE President Yolanda Pulice de Rodriguez. We can also make an adjustment; and we can also weed it out. I specifically propose that we send the TE all of the details to learn who is most adept and what is the political background of all of those who comprise the state's workforce. [video cuts to show Pulice de Rodriguez addressing meeting]

[Pulice de Rodriguez, identified by caption, in progress] ...because when I hear Mr. Simmons say the TE will supply him with a list in order that he may detect whether his government officials are or are not registered in a political party, I say it is also worthwhile to state here how the TE fulfills this request from a state entity that requires the institution's service. It is true we render that service.

[Announcer] The TE did not want the public to learn this, and the president of that organization requested confidentiality because this would cause its deteriorated image to sink to even greater depths. [video cuts to Pulice de Rodriguez at the same meeting]

[Pulice de Rodriguez, in progress] ...because it has been reported that the TE is behind all of these public employees' dismissals, simply because they registered, or have failed to register, in a political party. That is not advantageous for the TE, much less under the current circumstances. Our activity, aside from being juridical and electoral, is political. [video cuts to show Former President Manuel Solis Palma speaking at a podium]

[Manuel Solis Palma, broadcast in progress] ...because I will leave here to address the closing session of an electoral seminar, and I will speak well of the elections there. I cannot leave here and say there will be no elections and then go over there and speak well of the elections. I cannot continue to talk about the advantages of the elections while strategically planning to abolish them.

[Announcer] The military and civilian dictatorship's regime became so thoroughly corrupt that it left us a country in ruins and morally destroyed. [video cuts to unidentified labor leader seated and addressing a group of people]

[Labor leader] In our case, we talk about cement. We can supply enough information to prove that legislators, meaning the unproductive Legislative Assembly we have been mentioning for months, use this mechanism as an additional source of income. They accept donations and sell these to stores and clients who usually purchase from us in cash. This directly affects the state's revenues. [video cuts to Labor Party leader Ramon Sieiro Murgas addressing a group of people]

[Sieiro Murgas, identified by caption] I ask: If the UNADE [National Democratic Union] government accepts at this point—10 months from the elections—the existence of sinecures, will this help us or work against our own interests? I will not break down the meaning of sinecure, or cushy job, or phantom job at this point in time. [video cuts to show former Legislator Luis Gomez addressing a meeting]

[Gomez, identified by caption, broadcast in progress] ...he revealed legislators have 3,200 sinecures. Let us

adopt a decision in connection with this, Mr. President. We will demand something: Let us discuss the government's final decision on this. Either we eliminate all the sinecures—all of them, every one of them, not only the mistresses, if they exist; not only the ministers' friends, if they exist; or the legislators' mistresses and friends; and, why not say it, with due respect to our Defense Forces comrades, the Defense Forces' friends. What will be the political decision? When will we adopt the political decision to abolish the sinecures? Now! [video cuts to show Minena de Duran addressing the same meeting]

[Minena de Duran, identified by caption] We can negotiate with all of the parties and all of the legislators for a reduction of salaries among the sinecures. This way, no one's feelings will be hurt. Mr. President, I suggest an evaluation commission study all of the cases of sinecures, cushy jobs, and phantom jobs—as our friend here says. Simply put, there should be an agreement, Mr. President, because we have unfortunately learned it is true there are cushy jobs with a salary of $2,000-$3,000. [video cuts to show Solis Palma seated, addressing a crowd]

[Solis Palma, in progress] ...we will win the elections with this. They are quite sure about this, meaning we will win the elections with 800 sinecures in each ministry. We will win nothing! There are no secrets in this country—much less at a lower level. Everyone knows, meaning every employee knows, that they are compelled to make sacrifices while others earn $2,000 or $3,000 in a sinecure and only show up on payday to collect their check. [video cuts to show second unidentified labor leader addressing a crowd]

[Labor leader] We see corruption is rampant. We see corruption continues to spread; and we have protested; and we have said this since 1984—yet there is no way we can stop those things. Leaders who figure prominently for different reasons are subject to a persecution while crooks and thieves receive awards. [video cuts to show Solis Palma, seated at a cabinet meeting]

[Solis Palma] People are being told that public employees are openly selling diesel, gasoline, tires, spares parts for tractors, and so on—all at very reasonable price. The Public Works Ministry employees are constantly going around selling diesel, gasoline, oil, tires, spare parts... [audio interrupted in mid-sentence]

[Announcer] The current administration found the state's finances completely depleted, the National Savings Banks and the National Bank of Panama [BNP] completely ruined, and the Social Security Fund [CSS] virtually looted. [video cuts to show Solis Palma speaking at a luncheon]

[Solis Palma] When we are told to instruct the National Banking Commission to release funding, or told to do this or that, we cannot tell them to do this, because the moment they release funds, the BNP will collapse. The BNP cannot even release 10 percent of its savings accounts and time deposits, and the National Savings Bank cannot even release 5 percent of its savings accounts. They simply cannot do it. They simply do not have sufficient financial resources; then we have to continue prolonging... [pauses] because there are banks that do have sufficient resources.

If we do decide to go through with this, we will be opening the door to putting the BNP and the National Savings Bank in a very difficult situation. We could order them not to pay, in light of the fact that government institutions are not forced to pay. But what do you think this will do to the National Savings Bank and the BNP's image in the banking community? They will be the only two banking institutions who will not be able to pay. No one would ever again trust depositing money in the BNP or the National Savings Bank. [video cuts to show former BNP General Manager Rafael Arosemena addressing a group of people in an auditorium]

[Arosemena, identified by caption] Considering that this session is being recorded, I would like to recommend that any reference to the BNP at a given moment should be removed from the film, because we are talking about financial soundness, liquidity.... [video cuts in mid-sentence to show Ovido Diaz, former Revolutionary Democratic Party (PRD) vice president, addressing a group at a banquet hall]

[Diaz, identified by caption] We are aware that during the month of December the budget deficit totaled 800 million balboas; furthermore, it has probably increased during these past months, and at any moment we will have to confront this issue. [video cuts to show Solis Palma, speaking at conference table]

[Solis Palma] The National Savings Bank also has some areas that cannot continue operating. It is not a matter that the National Savings Bank has not produced sufficient revenues, it is just that the revenues are earmarked specifically to cover payrolls. [video cuts to show Rafael Rodriguez, former comptroller general and former provisional president of the Republic, sitting in a conference room]

[Rafael Rodriguez] Unfortunately, we have limited ourselves to paying for an oversized bureaucracy instead of attempting to do something about it.

[Announcer] During the military and civilian dictatorship, the candidates were always chosen at military headquarters. The best example is the 1984 meeting that took place at the Tinajitas Military Barracks. [video cuts to show Ernesto Perez Balladares, former minister of planning and PRD member, speaking to a group of reporters]

[Balladares] I took part in the Tinajitas meeting. Unfortunately, I do not have copy of my comments because they were unrehearsed. [video cuts to show Nander Pitty Velasquez, former comptroller general and presidency minister, addressing a cabinet meeting]

[Pitty, identified by caption] One of the things we have always criticized about the Fortuna hydroelectric dam project, and I have always been one of its most severe critics, because it is not just now that I am saying this. [sentence as heard] As presidential adviser, I continuously complained in writing about the continuous modifications the IRHE [Institute of Hydraulic Resources and Electrification] began to issue after the bid had been tendered.

In this respect, a bid was awarded for the construction of a project, and later on, modifications were made to the contract based on what the IRHE described as changes. These modifications began to pile up, and when they had a whole pile of them, they would bring them to the cabinet meeting to be discussed. The ministers at the time could do nothing but approve the modifications because the funds had already been spent, and the project had been completed. If the funds had not been spent, the project had been completed, and then there was the need to pay. [sentence as heard] I do not remember how much the project ended up costing. Maybe IRHE Chief Engineer Herrera could refresh my memory on how much the original bid amounted to.

[Herrera, off camera] Yes, Mr. President, Mr. Minister. The initial cost of the project was $252 million, and it ended up costing $514 million, all costs and benefits included.

[Pitty] Thank you very much.

[Herrera] I would like to add that $80 million should be attributed to inflation and interest.

[Pitty] Right. Now, Mr. President, what could take place in the second phase of the Fortuna project is something similar to what I have already stated. [video cuts to show Solis Palma, seated at the same cabinet meeting]

[Solis Palma] What we have here is a rush and a real concern to prevent the second phase of the Fortuna project from being completed. However, it is being said that it should have been completed four years ago, and that nearly $2 million are lost every month because the project has not been completed. In this respect, we are now speaking of $96 million that has been lost over the past four years. In spite of this, the two ministers responsible for this project have never said anything about the issue.

[Announcer] The military and civilian dictatorship would normally divide the government just like a cake. [video cuts to show former provisional President Francisco Rodriguez, addressing a cabinet meeting]

[Rodriguez] There is enough for all of us. This cake is so big that everyone... [video cuts in mid-sentence to show Romulo Escobar Bethancourt, former president of the PRD National Executive Committee, seated in a conference room]

[Escobar, identified by caption] Then it should be the party that recommends the person or persons to occupy the positions. All of the parties that [word indistinct] must be integrated in the high-ranking positions. [video cuts to show Pulice de Rodriguez seated in a conference room, addressing a crowd]

[Pulice de Rodriguez] We must all support our president. [video cuts to show former General Manuel Antonio Noriega, standing, addressing a group of legislators in an auditorium]

[Noriega] We all came to power united, and we must unite to accomplish a purpose. From this position, which is built on the power of the people, no one will remove us. In addition, we will never allow any of our officials to be substituted, replaced, or driven out. We cannot allow ourselves the luxury to cry tomorrow for those things we were unable to defend today. [video cuts to show Ovidio Diaz addressing a group of people]

[Diaz] The least a government in power should do is to do all it can to remain in office. That is something we heard Gen. Torrijos say, and I share his views. [video cuts to show Nander Pitty speaking at a cabinet meeting]

[Pitty] Our unforgettable Omar Torrijos used to say that the duty of every government is to make sure it is not overthrown. The first duty of every ruler is to make sure he is not overthrown, and this is what we must do.

[Announcer] The civilian and military dictatorship raised manipulation and deceit to unbelievable levels. Workers and government workers were told one thing, while another was being planned behind their backs. The people were told of a nationalist struggle, but in actuality this was only an instrument to hide the real purpose. [video shows Tomas Gabriel Altamirano Duque addressing a crowd]

[Altamirano Duque, identified by caption] Unfortunately, if there is no money, you cannot take part in politics. And there is no money. All we have left is to exploit nationalism as much as we can, because this is another way of getting into politics—not only against the United States, but against all those who are trying to finish off this government. When money is not used, then nationalism must be used. I believe we are doing pretty well. [video cuts to show Daniel Delgado, lieutenant colonel in the former Panamanian Defense Forces, speaking at a podium]

[Delgado, identified by caption] From the foreign point of view, this problem is seen as a demagogic problem. To put it simply, Panama is trying to overcome the real problems of lack of democracy, lack of human rights, drug trafficking, and corruption. That is the problem.

[Announcer] Labor leaders were also manipulated. [video cuts to show Solis Palma, seated between two unidentified men, addressing a group]

[Solis Palma] We have a man like Mauro Murillo [general secretary of the National Organization of Panamanian Workers], who is a man of great quality, and who

handles matters with great ability, but who cannot overstep himself because we will burn him. We will destroy him, and this would be very dangerous. It would be dangerous to destroy our leaders who manipulate problems for us. We cannot burn Hector Aleman [secretary general of the National Federation of Associations of Public Employees]. He is trying to navigate in very choppy waters. What we must do is provide him with a good boat that will not sink.

We cannot allow the National Port Authorities to pay out $341,000 in 13th month bonuses during the first two weeks of the month. How can we do that? There is no ceiling on payments. In addition, in December we would have to pay them $867,000, because they have additional Christmas bonuses. The National Casino workers must be paid $188,000 right now and in December we must pay them $548,000. But the worst one is the IRHE. Right now we must give them $1.355 million. For them, there is no ceiling. And in December we must give them $4.088 million.

[Unidentified speaker, off camera] As well as free electricity.

[Solis Palma] Plus electricity, twilight [media luz], and all of that.

INTEL [National Institute of Telecommunications] would receive $759,000 with no ceiling. With a ceiling, it would be much lower. In December they would receive $2.173 million. Then we have the National Beneficent Lottery. That did not come from the Canal Zone. That was established by Fito [Tomas Gabriel Altamirano Duque] before he was born. [laughter]

[Unidentified speaker] Do not look away. [laughter]

[Solis Palma] The National Beneficent Lottery came even before that. He was not even involved in the planning stages. [laughter] The lottery receives $259,000. I do not know if the lottery has a ceiling or not. The next bonus is in the amount of $792,000. There is a difference of $5 million in 13th month bonuses among those institutions. All of this must be confronted sooner or later, because we cannot continue with those privileges, with those great disparities we are experiencing. It is time we begin looking to the future. The biggest mistake we made, and we were forced to make it, was to make the first payment of the 13th month bonus. [video cuts to show Sieiro Murgas seated and addressing a group]

[Sieiro Murgas] It is true that I have said that in 1983 there was talk of reducing the government payroll. This was to pay off the foreign debt. Fine, now we have adopted some measures. [video cuts to show PRD legislator Mario Rognoni addressing a group]

[Rognoni] In that first phase, there is something that is even more delicate. It comprises the enemies of the state—the seditious ones who remain inside the institutions. Nevertheless, this is a bit more difficult to do than what Simmons has proposed. What we must first do is pinpoint them, open a file on them, and, based on this, have them removed according to the guidelines of each institution.

I suggest that in the first phase of this plan we divide the government into three areas: those that have to reduce their payroll by 8 percent, those that have to reduce their payroll by 12 percent, and those that have to reduce their payroll by 16 percent. [video cuts to show former PRD legislator Rigoberto Paredes addressing a crowd]

[Paredes, identified by caption] The politicians, those who should know how to handle this politically and properly, kept thinking of protection, of friends, and of the support of this or that colonel. They stepped back to let us know that we had to learn to live like men and women who can handle themselves and run this as it should be run.

[Announcer] The state ministers themselves rendered reports to the Defense Forces of the Republic of Panama [FDP] rather than to the president himself. [video cuts to show Solis Palma being interviewed by an unidentified reporter]

[Reporter] Are you talking about today?

[Solis Palma] Yes, the ambassadors many times call on the commander. They do not call on the president to give their reports, because it had been like that...

[Reporter, interrupting] It has been the established rule...

[Solis Palma, interrupting] It has been the rule during the past 20 years, or 18 years. It is the FDP itself that gives the instructions to call the Presidency. [video cuts to show Targidio Bernal, former deputy government and justice minister, speaking at a meeting]

[Bernal, identified by caption] We have gotten used to not acting—not acting as civilians, and not acting as a civilian government, thereby leaving the responsibility to the FDP. We have not understood two things: The more the FDP acts, the more its image, its prestige, and so on wastes away. The other thing is that they could tire of us, because what we did yesterday, by the way, was a blitzkrieg. I think that in six hours we changed two presidents with one crushing blow to the balls [un solo huevazo] [words indistinct]. This has never occurred in our nation's history. [video cuts to show Jose Young, not further identified, addressing a crowd]

[Young, identified by caption] There is general discontent in the public workers sector because of the reduction in salaries, particularly among teachers and professors. [video cuts to show closeup of Solis Palma]

[Solis Palma] General Noriega is a drug trafficker. He is a man that should be ousted from the country, he is a dictator, and he is opposed to democracy. [video cuts to another closeup of Solis Palma]

Air Panama employees have accepted that a large number of their personnel must be dismissed, because

even if we operate with two airplanes, we have to fire people, and even if we operate with three airplanes, we have to fire people. The Social Security Fund must continue employing 14,000-15,000 workers. The casinos must continue with the number of workers on their payroll. The Digedecom [General Directorate for Community Development] has to continue with the number of workers it has. Commander Gen. Manuel Antonio Noriega, Latin American leader and idol of Panama—the general commands and the president obeys. [video cuts to show Solis Palma addressing large political rally]

In Japan, to talk about Alfonsin [former president of Argentina]—well, very few Japanese know who Alfonsin is. Nevertheless, I do not believe there is one Japanese citizen who does not know who Manuel Antonio Noriega is. [applause] Certainly, we all know who he is. [video cuts to show Francisco Rodriguez speaking to a group of people]

[Rodriguez] Public servants are appointed to institutions where they do not work. Some work in other places, while others do not work anywhere. [video cuts to show Solis Palma addressing a meeting]

[Solis Palma] All of those who carry PRD cards are interested in being promoted, but they are not interested in defending the movement. This situation must be brought out into the open before the party. It is the party leaders themselves who come out and say to us: He is one of our men, he has his party card, help him, give him a push. But then, we fail to receive support form these individuals when such support is needed.

[Announcer] The military and civilian dictatorship employed the extreme measure of setting up a regime that was communist in nature. [video cuts to show Solis Palma speaking to a crowd]

[Solis Palma] When someone says, I have the money, the answer is, you do not have anything, because here, no one owns anything. Everything belongs to the Panamanian state; it belongs to the government. [break in video] We cannot rule out the possibility of our own currency.

[Announcer] The Panamanian people and their true civilian leaders were repressed by way of violence. The rights of the citizens were violated, and the free press was shut down. There was chaos, violence, and desolation. [video cuts to show Rodolfo Chiari de Leon, former government minister, seated and speaking at a meeting]

[Chiari de Leon] In light of this, we have proceeded to appoint censors to LA PRENSA, QUIBO, EXTRA, and EL SIGLO. These are the dailies that have been attacking the government most. [video cuts to show Manuel Noriega speaking to a group]

[Noriega] Those people who are under arrest—we should not be alarmed about this. This was necessary. It was necessary to undo the prevailing impasse. Currently we have... [pauses] we still have approximately 120 individuals under arrest. We are placing them under the jurisdiction of the administration. Measures were taken to ensure that it would not be said that they were stripped naked. Measures were taken so that a priest and a doctor were present, as well as a high-ranking officer to check all of this and to check those who pretend to have a heart condition after being arrested. [laughter] [video cuts to show civilians being beaten by members of the FPD; video cuts to show former President Eric Arturo Delvalle addressing a crowd]

[Arturo Delvalle] I agree with General Noriega that the groups must be maintained. I would like to reactivate the command. I am going to talk to Commander Solis Palma, the civilian commander, to reactivate it. [video cuts to show Manuel Noriega addressing a crowd]

[Noriega] One territory, one flag, and not one step backward, damn it! [shouts of approval heard among crowd, applause] [video cuts to show an unidentified female Dignity Battalion member speaking at a podium]

[Dignity Battalion member] We have shown the world the stamina, the bravery, and the courage of Panamanian women who have voluntarily enrolled in the Dignity Battalions and have brandished for the first time a T-65 or an M-16. [applause] You may rest assured that in the event that our national integrity and sovereignty requires it, these [two-second break in audio] in the hands of our women, will do what is necessary. [Video cuts to show Dayra de Carrizo, wife of Legislative Assembly President Celso Carrizo, speaking at a podium]

[Dayra de Carrizo, identified by caption] Panama has one single territory and one single flag. Not one single step backward! Not one single step backward! [applause] [video cuts to show medium shot of Manuel Noriega speaking at an outdoor podium prior to a military parade]

[Noriega] Welcome Messrs. representatives of political parties, PALA [Labor Party], Republican Party, and PRD. For the first time in the Republic's history, soldiers representing our Armed Forces are marching alongside the Dignity Battalions—in other words, the people who bear arms in order to survive. [applause; crowd chants: "Not one step backward!"]

We have armed the people, and these arms will no longer be taken away, because they belong to the people! So, you can just forget about Noriega. Perhaps Noriega is the nicest person out of all of those still to come. If you do not believe me, just ask [Major Jose Heraclides] Trujillo or [Lieutenant Colonel Luis] Cordoba. In turn, it is preferable that you put up with Noriega.

The Defense Forces have said not a single step backward. The Dignity Battalions have said not a single step backward. In the name of the people who are looking ahead with courage, this Panamanian commander repeats from this podium what is already our doctrine,

our principle, and our prayer: Not one single step backward! [applause; crowd chants: "Not one single step backward!"] [video cut shows several short recordings without audio of Noriega at various speaking engagements, people being beaten by riot police; video returns to Noriega at podium, military parade getting under way; video cuts to show man being beaten by Dignity Battalion members, and, as he lies on the ground, a voice off camera says: "Tell Endara to take care of you. Tell Endara to treat you. Listen to me carefully. I love this country. I do love this country. I am not a traitor. Tell Endara and Ford to treat your wounds"; video concludes by showing a 1989 still photo of a bloody Guillermo Endara after he was beaten by Dignity Battalion members after the 1989 elections]

Presidential Candidates Respond to Video Clips

PRD's Perez Balladares Views Clips

PA1504023494 Panama City Telemetro Television Network in Spanish 0110 GMT 15 Apr 94

[Statement by Ernesto Perez Balladares, presidential candidate of the Democratic Revolutionary Party, PRD, following President Guillermo Endara's message to the nation, at the Riande Continental Hotel in Panama City—live relay]

[Text] [Crowd chants: "Toro, Toro, Toro"] Thank you.

Fellow countrymen: Please excuse my voice. I was in Pacora and had scheduled a news conference because I thought the president of the Republic was going to make an announcement that would be very important for the nation.

I will confess, quite honestly, that I feel truly embarrassed. It embarrasses me to see a man go back on his word, especially when that man represents the majesty of the homeland, a man who, before the diplomatic corps and the whole nation, signed this document which he now seems to have forgotten. It is a document which, among other things, states—Mr. President, please allow me to remind you of it—: We cannot use our authority and influence to serve the interests of those who are running for office. The president did not keep his word. The president has involved himself in party politics. I would like to say this does not mean we will change the tone of our national proposal. [applause]

Under no circumstances will we be provoked by this despicable intervention in party politics by the head of the Panamanian state. I now call on my supporters, friends, and fellow party members to remain calm and maintain peace following this brief period of instability that Mr. Endara's words have created.

I would like to reiterate what I have said in the past: No one, and at no time, can think of returning to those days of improvised presidents, economic sanctions, and of suffering for all Panamanians. [applause]

We want to begin the 21st century with a new concept of homeland, with a united Panama, with our political differences discussed as the democratic nations do, without intervention from governments, with our own autonomy, our proposals for solutions to the country's problems.

Fellow countrymen, after we win on 8 May we will celebrate, without revenge, and without looking back to the past, not even to this day. We will introduce what must be a government of reconciliation for which most Panamanians are hoping. [applause]

In conclusion, I hope this will be an isolated incident, that we will maintain the dignity of the office the Panamanian people gave us. Mr. President Endara, do not shame the people again by not keeping your word. [applause] [crowd chants: "Toro, Toro, Toro"]

PRD Warns of Violence

PA1504002094 Panama City Circuito RPC Television in Spanish 2300 GMT 14 Apr 94

[From the "RPC Television News" newscast]

[Text] The National Executive Committee of the Democratic Revolutionary Party [PRD] charged today it has received reports, which they have described as reliable, that after President Guillermo Endara speaks tonight people who will pretend to be PRD supporters will execute acts of violence to create chaos in the country. A PRD communique stresses these actions are aimed at suspending the 8 May elections. In light of the situation, the PRD National Executive Committee calls on its supporters to respect the Constitution, the electoral law, and the Santa Maria Commitment and not allow themselves to be provoked.

Arnulfist Party Candidate on Message

PA1504060694 Panama City Circuito RPC Radio in Spanish 0151 GMT 15 Apr 94

[Interview with Mireya Moscoso de Gruber, Arnulfist Party presidential candidate, with unidentified reporters outside a restaurant in Panama City on 14 April; live or recorded—broadcast in progress]

[Text] [Reporter] ...in a national network?

[Gruber] Look, I share the president's concern this evening after seeing the video clips. The video clips show us part of our history, part of the past, and we, who suffered that past, have relived it this evening; therefore, we have recalled what the PRD [Democratic Revolutionary Party] was.

[Reporter] Opposition groups claim he did this to support your candidacy. What is your comment?

[Gruber] I do not think this was done to support my candidacy. This president has shown this video clip to

the country as evidence of his concern for what may happen on 8 May. I do not think it was done to help me.

[Reporter] Isn't the president taking sides with a party and violating the Constitution with this?

[Gruber] No, he is not.

[Reporter] Nevertheless, Ernesto Toro Perez Balladares has said this is negative and that President Endara is violating the Santa Maria la Antigua Commitment by doing this.

[Gruber] I do not think the president has violated the Constitution or the Justice and Peace Commission Pact. He has only shown part of our history. We cannot deny this is part of our history. There are many people who want to forget it, but it is there, and we have seen it tonight.

[Reporter] Certain groups want to know why it was done now.

[Gruber] Perhaps he was concerned about what is taking place in the country. He said it this evening; he is concerned, perhaps due to so many attacks against him. He wanted to show the country part of Panama's history.

[Reporter] Is this a strategy to achieve unity of the civilist forces?

[Gruber] Look, we have been issuing appeals for unity since December. We again issued appeals in January, February, and March. I do not think this will help much concerning unity. I hope it does, but I doubt it.

[Reporter] Do you think this will change the Panamanian people's mind so they vote for [words indistinct]?

[Gruber] Please. I think.... [pauses] Panama lived under a dictatorship for 21 years. The Panamanian people remembered it this evening when they saw the video clips. It will definitely change their minds.

Change '94 Candidate Views Message

PA1504044094 Panama City Circuito RPC Radio in Spanish 0051 GMT 15 Apr 94

[Report by RPC reporter Leo Alvarado on interview with Ruben Dario Carles, Cha;nge '94 Alliance presidential candidate, at a hotel in Chitre, Herrera Province, on 14 April—recorded]

[Text] [Alvarado] After listening to the statement made by the president of the Republic via radio and television networks and watching the video, we came to the hotel in Chitre where Ruben Dario Carles, his working group, and a group of followers were meeting. Carles will be touring Chitre and Herrera Province tomorrow. After the networks ended, we asked presidential candidate Carles for his views on tonight's network.

[Begin recording] [Carles] What can I say. It was the first time I saw it, and I am flabbergasted [words indistinct].

[Alvarado] Do you believe this is a political strategy by President Endara?

[Carles] I am telling you [words indistinct].

[Alvarado] Do you think there should be an agreement....

[Carles, interrupting] Damn it, didn't you hear me? [end recording]

[Alvarado] That was all Mr. Ruben Dario Carles told RPC Radio. We were shoved and pushed by Carles' bodyguards, who did not allow us to complete our job at the hotel; we had to leave the hotel. They did not let anyone else in. Mr. Carles remained sitting and meditating on a sofa. We were able to see tears running down his cheeks. We must stress, however, how poorly they are treating the members of the press who are trying to interview Carles, who is here in Chitre. If there is a question you would like to ask, please do.

[Unidentified announcer] You said there were tears in Carles' eyes. Why? Is there any reason for this?

[Alvarado] We were not allowed to do our job. Mr. Carles seemed to be angry after watching, on television, Mr. Endara's presentation. Mr. Carles was unable to answer our questions. We also saw other reporters try to interview him, but they were also turned away. We do not know if the tears and anger are the result of what he saw on television, or whether he felt something else against the president for showing this via a national network.

PDC Candidate Responds

PA1504040894 Panama City Circuito RPC Radio in Spanish 0105 GMT 15 Apr 94

[News conference by Eduardo Vallarino, presidential candidate of the Christian Democratic Party, PDC, with unidentified reporters following President Guillermo Endara's message; from PDC headquarters in Panama City—live relay]

[Text] [Vallarino] I would like to be brief. I believe every Panamanian is sadder now than he was an hour ago. We have relived our past, scenes of our past. Our party was a main player in the struggle against the dictatorship and paid dearly for this in lives and material losses. This reminds the Panamanian people, however, that we must remember the past and avoid the mistakes made in the past and avoid returning to the past.

Today, I would like to invite the Panamanian people to look forward. I would like to call on all the candidates to set their sights on the future. In the hopes of doing this, I made a friendly call in good faith to all the presidential candidates to join us and enter into a pact with the people to ensure a better future for all Panamanians and to assure us we will not return to those days of which we were reminded on television this evening.

[Reporter] How would you describe the [words indistinct] president of the Republic?

[Vallarino] This was simply a little sample of what happened in the past 22 years. This was something most Panamanians did not experience, because they were too young. Today's voters do not really know what happened between 1968 and 1989, when the dictatorship ended. Knowing our history is very important and this is part of our history. As I said earlier, it hurts to remember, but we must remember it. Just as I say it hurts to remember I also say it is necessary to look to the future. We must propose and present a better future to the Panamanian people. We can do this together. Once again I call on all civilians throughout the country, especially the presidential candidates, to join in a great crusade for the good of Panama.

[Reporter] What political effect will this have only three weeks before the elections?

[Vallarino] I do believe this will have a political effect. There are too many people who for one reason or another forget too quickly. There are others who knew nothing of this. This will help the Panamanian people do what they must do; that is, remember that voting is a serious thing and that our future and our children's future depends on this election. Let's not make another mistake. Let's look to the future with optimism, and let's remember the past carefully.

Vice Presidential Hopefuls on Endara Video

PA1504064094 Panama City TVN Television Network in Spanish 0040 GMT 15 Apr 94

["Voting '94/Youth '94" program featuring a debate among Panamanian vice presidential candidates Fernando Manfredo of the Papa Egoro Movement, David Guerra of the National Consensus Alliance, Arnulfo Escalona of the Arnulfist Party, Guillermo Quijano of the Change '94 coalition, and Raul Ossa of the Christian Democratic Party; moderated by Ricardo Samaniego; at the El Panama Hotel in Panama City—live]

[Excerpts] [Samaniego] Good evening, viewers, and welcome to "Youth '94." Tonight we are coming to you live from the El Panama Hotel where Public Administration students are holding a seminar on today's political outlook. [passage omitted] We are going to begin by asking questions on a very current event—namely, President Endara's nationally broadcast message, after which he showed the Panamanian people a video. Our first speaker will be Fernando Manfredo.

[Manfredo] I have just recalled one of the darkest chapters in our country's history. God willing, it will never repeat itself. What I question is whether it was appropriate for the president of the Republic to introduce this subject at this moment in the campaign. It would seem appropriate for a political party or a judicial branch official to present this type of material. Nevertheless, I personally believe that it was improper for the president to present this at a time when he should be showing total impartiality in the electoral process.

[Samaniego] Mr. Guerra, what is your opinion?

[Guerra] Over and over again, we have been hammering the point that we must not forget the past, especially at this time when we are about to choose our leaders for the next five years. I believe that advertising portrays everything as if it were new. This video forces us to remember that much can be said on the screen and on the radio, and that many things can be written on pieces of paper.

However, the Panamanian people must recall the past in a healthy manner to be able to decide the future. Your actions tomorrow will depend on what you have in your heart. I believe that what you have in your heart does not change from one day to the next, and much less when the main actors in your memory are still active in today's politics. It scares me to hear a current vice presidential candidate talking about how well he is doing in some business venture. It is important for the Panamanian people to remember all of this. However, the people must not only remember what was done by the the PRD [Democratic Revolutionary Party] or the military government. The people must also choose well. Today, we have seven presidential tickets, and it is important that we use this example to choose conscientiously.

[Samaniego] Dr. Escalona, your views?

[Escalona] With pleasure. This evening, I was forced to relive something that deep down we all knew, but something that we had never seen in action. We knew what was happening to us in the streets. We were afraid to go out, and we were afraid to let our children out because we feared they would never return. However, we did not know of the cynicism we saw tonight on television. We did not know how they handled their affairs.

You, young students, today more than ever I wish I were in your seats and not where I am sitting. But that is life. When I was a student, I wanted to be here. Today, however, I wish I could relive my life in this country without the things we are recalling today. I wish I were a student in order that I could live life to the fullest, as one lives when he is young.

I recall that when I was a student we had to read Plato. We had to read Plato's dialogues, and what caught my attention was when he wrote that the greatest virtue a ruler could have was the quality of being fair. None of those men has the slightest idea of what being fair is all about, and yet, we allowed them to stay on after a coup d'etat and cause all of those problems.

Now we are confronted by a paradox: They are aspiring to reach power by way of the ballot box. This generation and future generations will be condemned if we allow those people to hold any type of government in this country. They do not deserve the chance to repeat their past actions, much less with the blessing of the vote in the 8 May elections.

My skin burns. I find myself going out of my mind at times like this when I have to admit that there are Panamanians who do not deserve to be called brothers. Those blows we saw them give the Panamanian people were meted out to defend the atrocities they were cooking up and feeling proud about. You saw in that video how proud they felt about what they did. Do not let this happen again in our country. Thank you.

[Samaniego] Mr. Quijano, vice presidential candidate for the Change '94 coalition.

[Quijano] Poet Ricardo Miro wrote a famous phrase: I look back and at times it scares me. I am scared for the young people. I am scared that terror and fear will be enthroned again in Panama. It scares me that we could be robbed of our democracy, justice, and freedom.

Nevertheless, it was not just one term in office or the last term in office. It was 21 years of atrocities in this country. Residents of Chiriqui Province died in 1969 while struggling for democracy. The atrocities against human rights and the people's rights began on 11 October 1968, not June 1987. Many of you here tonight were not around in 1968; some of you were very young. That was when the disregard for human rights, freedom of expression, and freedom of action began.

Debates such as this one, where government and opposition candidates can present their views and defend their principles, would not have been possible during those 25 years. It would not have been possible for youths and adults, like those of you here tonight, to ask questions and for us to answer them without fear that a military boot would be waiting outside, or that we would be thrown in jail or get kicked out of the country. All that began in 1968 and ended in December 1989.

We must defend the principles of democracy, justice, and liberty, and young Panamanians, who represent the majority in these elections, must choose the best, most capable, most honest people—those people who feel love for the homeland. Young Panamanian people, it is up to you to choose the best.

[Samaniego] Messrs. candidates, a controversy has arisen with the presentation of these music videos [as heard] by President Endara and the expectation that this created. Some wonder: Should President Endara have made this presentation rather than other politicians? What is your opinion about this?

[Quijano] Look, I believe the president should not have caused seven or eight days of anxiety to present this video along with his personal opinion. However, I could care less whether or not he presented these video clips. I believe it is advisable for Panama to know the truth rather than hiding the truth about what happened. Dr. Escalona said this here, and I was at Santa Ana Square on 10 May when those Dignity Battalion members attacked President Endara, Ford, Ricardo Arias Calderon, and myself. They ganged up on us and beat us with cudgels while the Panamanian Guard or Army looked on.

I certainly believe it is advisable to present the truth. The truth is never bad. The truth will always prevail—sooner or later. This is not an appeal for violence. This is an appeal for harmony; it is an appeal for justice. We must recognize our sins in Panama and strive to rebuild our country. Let us defend our democracy, justice, and liberty. Let us look toward the future with optimism and greatness, because this is a great country and what we need is to be united and to define programs to resolve Panama's obvious problems, meaning poverty, unemployment, and corruption.

[Samaniego] Thank you. Dear viewers, we will now hear the opinions and questions from some of the young people who accompany us tonight on "Youth '94."

[Unidentified student] Thank you. To begin with, I have an opinion about what we have just seen. I believe politicians are always talking, but the situation is different for our people. I think the people hoped these elections were the beginning of a work program by all political groups, right? This is where my question comes in: What would be the Justice and Peace Commission's role after listening to these videocassettes? The question is for all of the candidates.

[Samaniego] Dr. Manfredo, can we start with you?

[Manfredo] I would rather have one of my comrades go first.

[Samaniego] Dr. Escalona?

[Escalona] With pleasure. The Justice and Peace Commission's role, until now, has been to prevent violence. It has been approached by those of us who are known as politicians, but you must remember that we are all politicians. Man is a political animal. Plato has described man, and I repeat this, as a political animal because we all carry the old city in our hearts. The old city is the homeland. We all have the homeland in our hearts, and therefore, if we talk about the homeland, we talk about politics.

Consequently, the expression that you, the politicians, and we—namely, the ones who are not politicians—is a form of participating in politics. [sentence as heard] I do not believe in those things. I believe all citizens are politicians and each occupies his place, whether on a larger or smaller scale, according to his activities and according to the position he wants to occupy in the future. He does this to fulfill his political role within the city or within the (?country). This compels us to establish the appropriate norms for a better lifestyle.

Referring to the question, it is very specific. Should the president of the Republic have presented these videotapes? Yes, a thousand times yes; and again, I refer to my knowledge about humans. This is part of the Republic's

history. This cannot be denied; we have lived through this; this is part of our heritage. We should not hide this, because, for better or worse, it is the history of the Republic, and it should be brought out in the open. Whoever does not want to learn from history is bound to make the same mistakes because history helps inspire us and prevent us from falling for the same causes and under the same conditions.

Consequently, I believe that, if the president of the Republic learned about these videotapes, he did the right thing when he presented them to the Panamanian people. This is our history, and we cannot forget it because this is what happened. It is all there, and it should not only be revealed but also repeated so that all the Panamanians may know we lived those years under these harsh and difficult conditions. Those years cannot be repeated if we truly want to forge ahead.

[Samaniego] Thank you, Dr. Escalona. We have another question from the young people in attendance.

[Unidentified student] I want to know if it does the country any good for the president to have released the videotape to the public on the verge of elections, when he had four years of government to do so.

[Samaniego] Mr. Manfredo.

[Manfredo] In fact, that is my question: Why now? I am not questioning whether citizens should be informed of the inner goings-on of the Noriega government, the Noriega regime. The question I ask myself is this: If this has been available for some time, why release it now? This raises a series of doubts and suspicions regarding the president's impartiality.

[Samaniego] Engineer Guerra, do you have any response to this question?

[Guerra] Yes. I believe the president's assertion that he has had this information for just a couple of days, which perhaps some citizens may doubt now. Regardless of this, I believe that the information had to be released. Why? Because the impression given is that everything is fine, everything is normal, and this is not the case. I believe that, in fact, this video shows what the true intention is of the party that currently heads the polls and where are we headed. I believe we need to be very careful.

[Samaniego] Dr. Escalona.

[Escalona] Precisely, the student's question focuses on timing. He asks whether the time is right for the president to have presented this video. Each man's actions are his own responsibility. This is a private action by the civilian president of the Republic, who has explained very well that when he received these videocassettes he had to make a decision. At this time he had to make this decision. I must confess, young student, that I feel very satisfied of having learned about this video at the right time. I am very grateful that it was shown to me at this time, because I was able to see how the octopus worked from inside. I only knew of the actions from the outside—actions that denied my son's freedom, actions that struck me in the street, actions that broke my car's windshield, actions that endangered the very existence of all citizens. What I did not know was the cynicism that these videocassettes show. It is well worth knowing this. How a $52 million dam was turned into a money scandal, solely and exclusively to keep the octopus going. Many thanks.

[Samaniego] Engineer Quijano.

[Quijano] I must accept the president's word that he knew about this video only a few days ago. He made the decision, and it was his very own decision. Regarding public affairs, I believe each man's or each women's private life is indeed private; however, the public life of the public official is public. The public life of the public man—I was a minister for two and one-half years—should be an open book that enables citizens to read it, investigate it, and analyze it.

[Quijano] All of us adults here experienced the dictatorship. We knew what was happening in the streets. What we never imagined was the extent of the manipulation taking place within the Presidency, how they played with the figures, how they manipulated the number of votes, how they would play around with the people's wellbeing.

There was even mention of specific names of individuals and union leaders who dared to say if the president of the Republic does not behave, he would be taught a lesson. That means many things, such as an indifference to the individuals' self-esteem. In this respect, I do believe it should have been said when he said he had first found out about the videos.

[Samaniego] Thank you, Mr., Quijano. Another question from the young voters.

[Unidentified student] I am a student at El Istmo University. We have just seen what was broadcast via television, and we all agree we should never return to that past. My question is, considering the results of the public opinion polls and the PRD's approval rating, would you all be willing to unite and form a common front, divorced of all selfishness in order to reach the Presidency?

[Quijano] I believe your question is quite valid. I believe the groups which support civilian rule in Panama represent an absolute majority compared to the militarists; these are the two trends now. My personal opinion is that we pro-civilian rule supporters must set aside our political ambitions to ensure a solid unity which will benefit the lower income groups. The young man here just pointed out all of this is in the past. That is correct; it is the past.

The people want solutions to their problems, concrete programs that will resolve issues such as education, health, public services, and employment. The people do not want programs that are a mere demagoguery. The

people want real and effective programs. I believe we must set aside our personal and political ambitions if we expect to ensure unity and thus forge ahead.

[Samaniego] Mr. Manfredo, would you like to say something?

[Manfredo] I believe the opportunity was lost when the political parties—instead of attempting to ensure some degree of unity against a situation such as the one you mentioned or some unity in preparing a program—gave a sorry spectacle of political parties by splitting up the booty. Alliances were made based on who would get the Presidency, the vice presidency, ministries, autonomous agencies, embassies, and so forth. That merely resulted in totally discrediting the political groups that became involved in these negotiations. That is why our party decided to remain on the sidelines, because we were unwilling to get into that game of monopoly; in other words, I will give you a vice presidency if you give me two ministries. I will give you two ministries, and you give me an embassy.

[Samaniego] Mr. Escalona, as part of the government alliance, you participated in some of these negotiations. Was that the way things were done?

[Escalona] I can sincerely say only someone who ignores Panama's political situation can speak in such a way. Such a person has no idea whatsoever of how alliances were made. Alliances are over and above that minuscule world which only an imagination such as yours can think up. Alliances were not established for those reasons.

I would like to state the following. On two occasions presidential candidate Mireya Moscoso de Gruber has cited the need for the groups which support civilian rule to unite. We have not received any similar reply from other parties to this same call. We made this call on two occasions. Our party does not want to give those people we just saw on the video another opportunity for them to repeat another dark period in this country's history. Just look at what they intend to do. They just want to return to repeat everything over again. This is the only thing Toro [PRD presidential candidate Ernesto Perez Balladares] can promise that group which will ensure their return to power. There will be no other opportunity. They plan to repeat everything over again. Thank you very much.

[Samaniego] Mr. Guerra?

[Guerra] Thank you. I must disagree with Fernando Manfredo with respect to the manner in which the alliances were negotiated. First of all, I was able to witness the many times we attempted to ally or find some agreement with the members of the Papa Egoro Movement [MPE]. They always said they wanted to go out on their own, that they were different. In this respect, the search for unity was never their objective. They simply believed that they are holders of an absolute truth, and in this respect we disagreed.

The other inaccuracy being disseminated here is that everyone is conducting himself as if Toro Balladares is already the winner. Allow me to say that in the two previous elections, the same polls also conceded up to 35 percentage points to the government. The end result was quite different, because they had to resort to election fraud and the cancellation of the election in order to win. The only thing I can say to the Panamanian people is, first of all, those of you who were planning to vote for the PRD, for one moment just think about what you just saw. Cast your vote according to your conscience. Those of you who are allowing yourselves to be influenced by the polls, simply vote according to your conscience on 8 May and elect a different government.

[Samaniego] We will continue with another question.

[Quijano] I believe Mr. Manfredo made some comments with respect to divvying up the cake. I believe that we were all able to see in this video who were the ones dividing up the cake, and we could see this through the words of those government officials in office at the time. However, according to their own statements, they started to divide the cake as far back as 1968 and continued to do so until 1989. From 1968 to 1977, there were no political parties in Panama because the dictatorship had outlawed them. We were living in a political dark age. At that time, the cake was being divided because there were no legislatures, no codes, no public bids to purchase sugar mills or cement plants, and no quotas; there was absolutely nothing. Everything was done through Omar Torrijos, the generals who followed, and the ministers who followed them.

[Samaniego] Mr. Manfredo is entitled to reply.

[Manfredo] Yes, I will be very brief. The alliance's negotiations with our party all featured the condition that we should concede the leadership to others. We insisted the alliance could only be based on concrete programs and...

[Guerra, interrupting] I must completely disagree with that, because it is simply not correct. Definitely, the issue now is not what took place. The young man just asked a very real question: Are we willing to reach an agreement? The answer in our case is yes, we are willing to reach a national agreement. Why? Because over and above party interest and individual interest there is the interest of what the country is going to do during these next five, 10, and 25 years. That is the reply we, the National Unity Movement [MUN], are giving the Panamanian people.

[Samaniego] We welcome Mr. Ossa, the Christian Democratic Party's vice presidential candidate, who is joining our group. Mr. Ossa, can you briefly give us your opinion on what you just saw over the television?

[Ossa] Congratulations to the students of the School of Public Administration for this opportunity. Tonight, we, the Panamanian people, watched video footage that makes us remember things we do not want to happen again. Human beings remember, but they are likely to

forget about past events or experiences and repeat mistakes. It is fair for us to recall our negative experiences so they are not repeated. I think it is worthwhile to remember these things, and there are still many more things to remember.

[Samaniego] Another question by a young man.

[Unidentified student] Dr. Escalona, you speak of publicizing the mainland's history. Why did the government censure the video on the invasion of Panama, considering it won an Oscar?

[Escalona] As far as I know, the government has not censured any video. There have been remarks on it. I watched the video, and what it shows is a long way from what really happened in Panama. The video partially shows certain things from a particular viewpoint, to the extent I am convinced someone paid for the video to be manufactured like that.

[Samaniego] We will continue with more questions. Here is a student who, a few moments ago, asked to participate.

[Unidentified student] Good evening, Dr. Escalona, do you think the video the president has just aired will in any way help reinforce your slate and weaken the PRD? The PRD leads in all the opinion polls, while your slate is third.

[Escalona] That is probably why the video was aired. I cannot tell you for sure. I am sure, however, it has helped me, as I said before, to become thoroughly familiar with the movements of the octopus. I was aware of the military's will to defend their government. I knew of some of the things that were shown, but I was unaware of the callousness with which they talked about their so-called duty to beat the Panamanian people, to weaken a labor leader. These things have been educational for me.

[Student] The Arnulfist Party is in power, but the Panamanian people are crying PRD everywhere, meaning people are not satisfied with the current government, which has not given us what we wanted and asked for when we demanded a change. The fact this video has been presented by the president, who also belongs to the Arnulfist Party, makes us think.

[Escalona] These are everyone's opinions and speculations. You have every right to express an opinion and make speculations. May I reiterate this could be the purpose of the president showing or not showing the video. I dare not say what motivated him. I do dare say, however, it has been educational for me to have learned about this under any circumstances, today, tomorrow, or after the elections. I know the movements of the octopus from inside out. These movements and what moved them are thoroughly detailed there. They wanted to stay in power to retain the privileges they had already acquired.

[Samaniego] Mr. Manfredo, one reply to this remark.

[Manfredo] We will win on 8 May, not with the votes against the PRD but with the votes in favor of our proposal.

[Samaniego] Another question by another student.

[Unidentified student] My question is this. The video the president has presented is just a reaction of fear of seeing the PRD as a leader, of fear the government parties will win the next elections. Do you think this is a sign of agony on his part?

[Samaniego] Mr. Ossa, your opinion?

[Ossa] My attention has been drawn to the way he criticizes the president's actions by describing it as an agony, and he is not far from the truth. When he mentioned the announcement, the president said he was ill in the head and the heart. I think the president has created an unnecessary expectation throughout the country, because we all were familiar with 75 percent of the information included in the video. I remember having heard Solis Palma say over the television five years ago the ministers gave credit more to the Defense Forces than anyone else, and everyone knew this in Panama, but he is refreshing our memory. This workshop deals with the state's dynamics regarding globalization and the changes necessary in the state. This is one of the necessary changes, and this is why this must not happen in Panama again, but it will likely happen.

[Samaniego] Another question?

[Unidentified student] One of the candidates mentioned history. I have always liked history. My question is addressed to Mr. Escalona. I would like for him to remember two dates I have never forgotten—2 January 1931 and 20 December 1989. I would like him to give us an opinion. At the same time, the president's remarks give me the impression he is trying to pass judgment, not a formal one but a nationwide one, where the government is the judge, the people the jury, and the PRD the accuser. I would like for you to give me your opinion.

[Escalona] Three positions for three entirely different perspectives. First, January of 1931 was the first coup in the history of the Republic. History says this coup was aimed at Goytia. He could not handle it at the time and sought the help of Harmodio Arias. This coup changed the country's destiny, and a new leadership emerged, because Dr. Arnulfo Arias Madrid was born then and there. I remember this very well, because this is part of our history and part of the Panamanian people's culture. You remember things well.

Second, what happened on 19 December 1989? On that day the North American forces rained death over the country. Some call it invasion, others call it liberation. The result of this is that the Panamanian people welcomed the North Americans who came not to overthrow a government—and this is where the historic analysis is wrong—but to defend democracy, responding to a government decision to annul the elections. When the

government made this decision and the OAS backed the government, the United States came up with Operation Just Cause and came to Panama to defend democracy.

[Samaniego] There is a question left unanswered from one of the students participating in "Youth '94" concerning the video the president of the Republic just presented.

[Unidentified student] I commented in my last question that, when the president's video was being broadcast, it gave the impression of being a public trial on a national level. Here, as I mentioned before, the government is the judge; the accused in this case would be the PRD; and the jury would be the Panamanian people. If a legal expert can give me a reply based on...

[Escalona, interrupting] I believe I have the right to respond to this question, and I will exercise that right. The question is whether this is a trial by jury, or whether this is a trial by magistrates. Here is Panama, we do not have the type of trial in which both magistrates and jurors participate. As far as I know, this only exists in Italy. This formula is used to enable the magistrates to compensate for errors the jury might commit.

There is indeed a victim here, as you have adeptly pointed out. The analogy is wrong, however, in terms of the victim. The only victim here is the Panamanian people; they are the victims.

Those good-for-nothings were feasting on and celebrating what they were taking from the Panamanian people, what they were milking from the Panamanian people. You saw for yourself. Sitting there you can see everyone, from the president of the Republic, to the commander of the National Guard, every single minister of state, and every single deputy minister of state. I saw Targidio Bernal among them, and he was only a deputy government minister. They were feasting. This was a demonstration of what they did to remain in government. Their idea was that the most important thing for a government was to make sure that it was not overthrown. They do not want to be overthrown, even if they are overthrown by way of votes. But this time we must overthrow them. Thank you.

[Samaniego] Mr. Ossa, as a lawyer, what is your analysis?

[Ossa] In my opinion, the student's perception is excellent, when he uses the analogy of a trial. I also agree with Escalona that the victim has been the people. He mentioned the plaintiff, the defendant, and the jury; however, he did not include the victim. According to the video, the people were the victims, and according to the current situation, the people continue to be the victims. Things have not changed. I would like to advise my colleague Escalona to be careful when he talks about those good-for-nothings, because he could be speaking of some people still in government. If you like, I can mention some names.

[Escalona] Go ahead, mention them.

[Ossa] The president's adviser, Menalco Solis, for example.

[Escalona] Go ahead, mention them, we are here to...

[Ossa, interrupting] You here can help me mention some names, right?

[Samaniego] No, you mention them.

[Ossa] I can mention, for example, Menalco Solis, who works directly with...

[Escalona, interrupting] Go ahead, mention them. We are...

[Ossa, interrupting] Do not call him a good-for-nothing, because this could offend him. Maybe this would be a situation... [pauses] Maybe the people would...

[Escalona, interrupting] I think it is your duty to mention these names.

[Ossa] I think the figure of speech is correct, and the application of the term good-for-nothing was correct. Maybe, Legislator Escalona is right after all.

[Samaniego] Does Mr. Manfredo have something to say?

[Manfredo] I agree with my colleague here. [laughter, applause]

[Samaniego] Let us continue with more questions for the vice presidential candidates on the current situation in the country following the video presented by President Endara.

[Unidentified student] I believe we have discussed the video on the previous government, but none of the panelists have told us what their plans are for areas such as health, housing, education...

[Samaniego, interrupting] We are going to discuss this in a moment. However, if you wish, they can briefly answer your question.

[Unidentified student] I would like that, because we have discussed the video, but they have not disclosed any plans or any solutions for housing, health, and education. We do not only want to talk about the video but also about those things the Panamanian people need.

[Samaniego] That is my fault, because I told them we would discuss the video, okay? Let us look at...

[Manfredo, interrupting] I have a brief comment on that. I agree that without forgetting the past, and without trying to reclaim the past, we must begin looking ahead to the future.

[Samaniego] Of course. Mr. Ossa? Mr. Quijano, pardon me.

[Quijano] I believe it is a very timely question. We have not addressed these issues because they have not been raised. During the commercial break, by the way, I

wondered aloud when the young people would ask about programs for the future, because we must think of the future.

Briefly, in the area of education, I believe we should eliminate all remnants of statism from the national Constitution and open our borders to national and foreign universities to enable Panamanians to have the ability and facilities to educate themselves properly and adequately. The state must strengthen higher education and provide the necessary financing so that young students whose sole problem is money can receive an adequate education and, in turn, be prepared for the future.

[Samaniego] Engineer Quijano, forgive me for interrupting you, but this topic will be discussed after we present the PRD's news conference. We would like to wind up our discussion on the statements made by the president of the Republic.

[Quijano] Later, I would like to discuss the housing issue.

[Samaniego] Of course, all you want. [applause] Viewers, we are now going to see the news conference the PRD just held to discuss President Guillermo Endara's remarks on a nationwide television network. [passage omitted]

[Samaniego] Now we are going to hear the reactions of each of the candidates. Mr. Ossa, what is your reaction to the news conference the PRD presidential candidate has just given?

[Ossa] I noticed candidate Perez Balladares' reaction on the TV screen when he said he feels ashamed that the president remembered the past and everything else. I do not know whether the president did the right thing. I truly believe we need to remember things, but I looked up the definition of the word Toro in the Royal Academy's dictionary, and it says it is a tough-skinned mammal with a long tail. I guess it is true that one needs to be tough skinned to go before the country and say it is not good to recall the past when one has served as manager for Carlos Duque's 1989 campaign. I believe we need to remember this, too, and if a person has a long tail, he should try to discourage people from recalling the past. I think the president's decision to show the video was good because it prods the memory, and the PRD has no other option other than to say it was not good to have shown it. I simply believe that it was good to have shown it.

[Samaniego] Viewers and special guests, we will now go to our studios on the Transisthmian Highway for more reactions. After that we will return to "Youth '94." [passage omitted]

Viewers and friends we are back with "Youth '94." We will now hear more reactions on how the candidates and the people feel about President Guillermo Endara's message. [video cuts to live relay of an interview with Samuel Lewis Galindo, National Consensus Alliance presidential candidate, by an unidentified reporter]

[Reporter] Thank you, Ricardo. We are here at Las Rocas Building to hear what Samuel Lewis Galindo, presidential candidate for the National Consensus Alliance, has to say about President Endara's message.

[Lewis] He presented a documentary that depicts shameful events, and most of the Panamanian people condemned these events when they occurred. It is because of those things that happened, and also because of so many subservient civilians, that parties such as Solidarity were born. They were born from the need to give the people a change—a real change from that ignominious past and from today, which is full of frustration. Today more than ever I believe that Solidarity is fulfilling a great duty. It is raising politics to a high level, and it is giving politics the dignity it should have and that the Panamanian people deserve.

[Reporter] What do you think was behind the president's decision to make this video public?

[Lewis] I believe that the president of the Republic should not have been the one to present a strictly political documentary. That should have been done by one of the parties that opposes the PRD to remind the people about incidents which have been condemned by everyone and which were a shame for the nation. [video returns to Samaniego at the El Panama Hotel, who introduces a three-minute recording of a 14 April news conference by PDC presidential candidate Eduardo Vallarino] [passage omitted]

[Samaniego] Mr. Ossa has already given his views about the PRD candidate's statements. We will now ask his opinion about the various reactions throughout the country.

[Ossa] I simply wanted to say, in 30 seconds, that the most important thing which occurred in Mr. Perez Balladares' statements is that he did not deny what appeared in the videos, although he did beat around the bush. He merely discussed whether the president had done the right thing or not. He did not deny the most important issue. In this case, silence can be taken for consent.

[Samaniego] Dr. Manfredo?

[Manfredo] I said at the outset of this program that I believed it was inappropriate for the president to personally present the videotape, but I was equally surprised by Ernesto Perez Balladares' appearance on television, because he is the candidate of the PRD, which supported Noriega's regime. I would have thought that, after viewing the videotape, he would be hiding in a closet, beating his chest and saying: mea culpa, mea culpa, mea gravissima culpa. [laughter]

[Samaniego] Engineer?

[Guerra] Politicians or politicos generally use words when they are convenient. They talk about feeling ashamed about the president's attitude, but they have never talked about feeling ashamed about the attitude they adopted during the 21-year regime. The other thing is that he is issuing an appeal for democracy today, when, for 21 years, he personally abetted dictatorship in this nation. Those are incongruent things, and I believe the essential thing is he cannot deny this. It would be barbaric, because it is there on video. He would have to claim he is not the one shown on the screen, although he does not really resemble the man shown on the screen.

[Escalona] The Scriptures say: They shall be known for their deeds. Candidate Ernesto Perez Balladares has shown today what he truly is. He has sought refuge in escapism. He has criticized the president of the Republic to avoid a problem which, he knows, he was a part of. They shall be known for their deeds. He has no other option but to do what the Holy Scriptures say—and hear me well, Ernesto Perez Balladares—tie a millstone around your neck and jump into the ocean. [laughter]

[Samaniego] Engineer Quijano, your answer?

[Quijano] The homeland is a remembrance of our history, and I believe that, at this point, Dr. Perez Balladares renounced the video presented by the president. He said the president had signed a document at the Santa Maria la Antigua University and that, for this reason, he should not have pointed out historical truths. Nevertheless, he never denied any act they perpetrated: when they attacked the Panamanian people on the streets; when they manipulated public funds at the Presidential Palace; when they played with the future of workers, nurses, and teachers; when they played with the 13th month bonus—an acquired right of the Panamanian people. This is my reaction.

[Samaniego] Well, Panamanian friends and students, we will now give a round of applause for the candidates who answered the young people's call. Thank you for coming to "Youth '94." We also want to request a round of applause for the young people from the various universities who were here with us and who asked insightful questions in a respectful way. I congratulate you. Dear viewers, this has been "Youth '94" with the vice presidential candidates. Thank you, and good evening.

Education Minister Views Endara Message

PA1504045494 Panama City Circuito RPC Radio in Spanish 0151 GMT 15 Apr 94

[Interview with Panamanian Education Minister Marcos Alarcon by reporter Luis Alberto Jimenez at the Palace of the Herons in Panama City on 14 April—recorded]

[Text] [Alarcon] We all were watching, let's say, what the television stations were analyzing. Nothing at all was being planned. We were simple viewers analyzing the various reactions as reflected by the television interviews.

[Jimenez] Did the members of the Cabinet Council know of the content of the document that was going to be presented?

[Alarcon] No Cabinet Council member knew about this document. This was a decision made solely by the president, and if you listen to the documentary introduction the president himself assumes the responsibility of the content of the document.

[Jimenez] Politically speaking, who gains from this?

[Alarcon] The people are the ones who benefit. The people are the ones who did not know the inside details of how the military government operated.

City Reported Calm; Monsignor on Endara Message

PA1504051294 Panama City Circuito RPC Television in Spanish 0300 GMT 15 Apr 94

[Report by Mara Rivera; from a "Special Edition" of "RPC Television News"]

[Text] Shortly before President Endara addressed the nation via a national network on Thursday evening, the city was virtually paralyzed.

In view of the fact employees of the private sector received their biweekly salaries and 13th-month bonuses today, stores should have remained open until after 2100. This was not the case, however. By 1900, almost every store was closed, and the few that remained open were empty. The uncertainty of the situation harmed local business.

[Begin recording] [Ricardo Duran] There was even talk of street violence, strikes and so forth, and this prompted some businesses to release their employees a little earlier and to close. After seeing what happened this evening, however, I believe the country will return to normal tomorrow.

[Rivera] Did this situation in any way affect the country's economic activity?

[Duran] I would imagine so. I hope no great harm was done, and thank God it will not be permanent. [end recording]

According to Monsignor Brown, the president's announcement did not cause any surprise.

[Begin recording] [Brown] I believe too great an expectation was created for what, in fact, was said.

[Rivera] Do you believe this will have an effect on politics?

[Brown] I do not know. It is difficult to say.

[Rivera] What is your opinion of what Endara said? Was there any substance?

[Brown] In reality, he did not say much. [end recording]

It is most likely the country will return to normalcy, and the electoral campaign will continue as it has until now.

Assembly Delays Approval of Drug Agreements

PA1404164394 Panama City EL PANAMA AMERICA in Spanish 11 Apr 94 p A-1

[Report by Juan Manuel Diaz C.]

[Text] Panamanian Foreign Minister Jose Raul Mulino stated that 75 percent of the agreements signed by Panama on the subject of drug trafficking have not been ratified by the Legislative Assembly.

Mulino said that the Foreign Ministry has reached a series of agreements with various countries to combat drug trafficking and other related activities, such as money laundering, but that the assembly has shelved these initiatives.

According to the diplomat, Panama signed a Mutual Legal Assistance Treaty (MLAT) with England last year, but the document has yet to be approved.

He emphasized that all efforts made with Colombia and other nations will be nullified if definite approval is not achieved during this period. He added that this would leave the country in arrears regarding means of cooperating to fight drug trafficking.

The foreign minister said that approximately 15 treaties are awaiting the Assembly's ratification or rejection, but that these need to be quickly implemented.

The U.S. Senate recently released a document asserting that Panama is one of the countries that have cooperated least in the war against drug trafficking and money laundering.

However, the national government denies these accusations, arguing that it has enforced a series of norms to combat drug trafficking, including its adherence to the Vienna Convention and enforcing a decree that compels tourists to fill customs declarations for assets in excess of $10,000.

The Foreign Ministry is expected to send a formal protest note to the U.S. Government shortly.

Argentina

UCR Leader Comments on Elections Results

PY1404140494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1219 GMT 13 Apr 94

[Text] Buenos Aires, 13 Apr (NA)—Former President Raul Alfonsin has said he does not consider the results of the 10 April elections a "catastrophe," but rather a "special circumstance, as we knew beforehand that we would be sacrificed in this election."

Alfonsin said that those who are asking him to resign "are looking at things from the viewpoint of the electoral strategy," stressing that "we must have the greatness to think of political objectives that will benefit the nation and democracy as a whole."

Alfonsin said that the Radical Civic Union's (UCR) worst results occurred in those districts "where we had to face internal and general elections at the same time." Alfonsin commented particularly against the positions of Fernando de la Rua in the federal capital and Sergio Montiel in Entre Rios.

During an exclusive interview with NOTICIAS ARGENTINAS yesterday, the UCR president announced that he will submit a report on his activities to the party executive board at a national meeting on 6 May, adding that he will not remain at the head of the party "a single minute longer" if a majority of members reject his arguments.

The former president warned about preparations for "a campaign" to distort the constitutional reform program agreed upon in the Olivos Pact, adding that the campaign is probably supported by "the right." Alfonsin said that he "would deeply regret it" if Deputy Carlos "Chacho" Alvarez (Grand Front) joined the campaign against the pact.

The complete text of the interview follows:

[NOTICIAS ARGENTINAS] The UCR lost 1.8 million votes if we compare the results of this election with the results of the October 1993 election. This means a greater than 10 percent drop. The party ended in third place in the federal capital, Mendoza, and Buenos Aires Province, and in fourth place in suburban areas. Is this an electoral catastrophe?

[Alfonsin] We would have been forced to accept that it was a catastrophe if it had been a normal election. But this was not a typical election. Obviously our performance was very bad in the federal capital, Buenos Aires Province, and in some districts where the party had great problems. We had general elections and at the same time internal elections. The UCR never faced a similar situation before.

The election was not a typical one also because only institutional policies were at stake, and voters could punish governments without risking their stability. We paid a very high price for our efforts to consolidate the political peace, and consequently, democracy in Argentina. We not only had internal problems, but all other parties turned against us, seeking to win more votes.

What really hurt me was the attempt to find hidden intentions in a position that was disinterested and totally patriotic, an attempt to present our efforts as something dirty or tarnished with some hidden interest.

In any case, I think it is very good that no single party will have a majority on its own at the Constituent Assembly. We have more than 70 convention delegates, and that is an important force.

I do not see it as a catastrophe, but as a very special circumstance. We knew beforehand that we would be sacrificed in this election.

[NOTICIAS ARGENTINAS] You speak about internal elections. Do you think people inside the UCR worked for a UCR defeat?

[Alfonsin] Absolutely. A case in point is the federal capital, without a doubt. A similar thing happened in Entre Rios. In Buenos Aires Province there was more apathy. Some misguided statements were made before the elections. But the situation here is very different.

[NOTICIAS ARGENTINAS] A possible interpretation of the results is that there were many more votes against the Olivos Pact than expected. Why do you think this happened?

[Alfonsin] First of all, I think our society has cannibalistic instincts. I was constantly criticized because, according to some people, I was "a questioning machine." These people said I made a staunch opposition. When I talked with the government, the same people who criticize me for my opposition criticize me furiously for doing just the opposite.

But it is a fact that many of the arguments against the agreement originated in the UCR, and were discussed during our internal election. May I remind you that surveys conducted in December indicated that the pact had the support of 80 percent of the population.

[NOTICIAS ARGENTINAS] Federico Storani and Juan Manuel Casella have said that had they been responsible for the UCR electoral strategy, they would have resigned.

[Alfonsin] The fact that they see the pact as an electoral strategy is their problem. We have seen in it a higher political objective for Argentine democracy. You need greatness to see things from this viewpoint.

[NOTICIAS ARGENTINAS] All those people who tried to prevent your return to the party presidency are now demanding a reorganization, resignations, and early internal elections. What will you do about it?

[Alfonsin] I will present a report to the National Committee for later consideration by the party plenum.

Obviously, if the report is not accepted I could not remain in the presidency a single minute longer.

[NOTICIAS ARGENTINAS] You mean you will accept criticism if it comes from the party organization, but not if it comes from the press.

[Alfonsin] Exactly.

[NOTICIAS ARGENTINAS] What arguments will you use in your report?

[Alfonsin] The main argument is that we had to rescue the Republic's peace. The second argument is that we have changed a proposal that was designed solely to admit reelection for one that will permit us to strengthen our democratic institutions.

[NOTICIAS ARGENTINAS] Deputy "Chacho" Alvarez invited you "to reverse your decision" on the Olivos Pact.

[Alfonsin] Look here. I can see the preparations for a very strong campaign to distort the agreement on constitutional reform. I would very much regret it if Deputy Alvarez joins that campaign.

[NOTICIAS ARGENTINAS] What would that campaign seek?

[Alfonsin] I think there are some items that the right does not like at all, such as the limitations imposed on the president. I think there are people who would prefer to continue to have needed and urgent decrees issued in some areas. I think they would also object to the idea of a cabinet chief. I can feel the campaign unleashing. I do not know if I am wrong, but I can see it coming.

[NOTICIAS ARGENTINAS] What do you think of Alvarez' invitation not to fulfill your part of the pact?

[Alfonsin] I think it is absurd. We have signed an agreement and approved a law on those proposals. On the other hand, the Group of Basic Coincidences is precisely the guarantee for preventing the government from deviating and voting on a reform aimed solely at permitting the presidential reelection.

[NOTICIAS ARGENTINAS] Do you still have the idea of calling for all progressive sectors to join efforts in the 1995 presidential election? Do you not think that your party's internal elections will complicate the matter once again?

[Alfonsin] I think you are right, particularly if some people continue maintaining the same positions. They have already done a lot of damage, and they might try to continue doing it in 1995. They are not concerned. Perhaps they are only thinking in 1999. We will try to get party organizations to give their opinions on those matters, and then we will continue ahead.

[NOTICIAS ARGENTINAS] Excuse me, sir, but the party organizations have already twice given their opinions with respect to the reform.

[Alfonsin] You are right. Perhaps they learned the lesson. We have lost a percentage of votes because of their position.

[NOTICIAS ARGENTINAS] Do you think the government lost support?

[Alfonsin] Without a doubt. The effects of certain social situations and the consequence of some economic policies were felt in this election. If policies are not amended, the opposition will inexorably increase.

[NOTICIAS ARGENTINAS] Can the UCR compete?

[Alfonsin] I am sure it can, if we adopt the appropriate strategies.

[NOTICIAS ARGENTINAS] It is unavoidable that we speak about candidacies. Eduardo Angeloz seems to have been favored by the election.

[Alfonsin] That is correct. Angeloz appears to occupy the best position. That is all I can say.

[NOTICIAS ARGENTINAS] Can the division of the opposition favor the ruling party?

[Alfonsin] I could not anticipate that. Our strategy attempts to prevent divisions among the group of progressive organizations.

[NOTICIAS ARGENTINAS] This is the fifth consecutive election that the UCR has lost. Some people say that you are a "hardheaded Galician" who cannot accept fact.

[Alfonsin] Well, we lost many successive elections by large percentages in the past, but we were able to come back. I think our worst performance was in 1962, but in 1963 we were winning again. We are in good shape to win. Even in this election. Had we presented ourselves united, we would have obtained excellent results.

Oscar Agustin Perassi Named Jujuy Governor

PY1404193394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1443 GMT 14 Apr 94

[Excerpts] Jujuy, 14 Apr (NA)—The first decision Deputy Oscar Agustin Perassi (Justicialist Party-Jujuy) made following his installation as governor of Jujuy was to uphold the veto of the wage hike previously passed by Jose Carlos Ficoseco, who has gone on leave. [passage omitted]

Perassi replaces Ficoseco, who asked for a leave of absence until after the Constituent Assembly empowered to amend the Constitution concludes its sessions. Ficoseco was elected delegate to this assembly on 10 April. [passage omitted]

Soon after being installed yesterday evening, Perassi announced that he intends to reshuffle the provincial cabinet "gradually." He ruled out the possibility of co-governing with the other provincial parties, like the

Jujuy Popular Movement, the UCR [Radical Civic Union], and the Republican Force. [passage omitted]

Radical Party, Labor Agree To Push Reforms

PY1404221694 Buenos Aires BUENOS AIRES HERALD in English 14 Apr 94 p 13

[Excerpt] (NA-DYN)—The General Labour Confederation (CGT) and the Radical Party agreed yesterday [13 April] to push reforms to the Labour bill promoted by the government and to seek the support of the Church for this purpose.

Trade union leaders did not specify the points discussed but said both sides had opposed the planned overhaul of the union-run health insurance system.

ANSSAL [National Health Insurance Administration] national health administration director Jose Luis Lingiero unveiled an alternative union-backed health insurance scheme which advocates a gradual deregulation of the current system. The proposal will be presented to the government and businessmen.

The proposal came as a direct reply to Economy Minister Domingo Cavallo, who criticized the social welfare funds during a visit to Mexico, branding the Argentine system as corrupt.

"The union medical plans are and always will be a guarantee of health for workers, often replacing the inefficient public health system," Cassia said in a communique aired after his meeting with Alfonsin.

"One thing is to change for the better and another to pretend to overcome alleged shortcomings by handing health services over to other sectors which privilege profits over workers' needs," he added.

Cassia also told reporters the Radical Party had agreed to negotiate all future labour-related draft laws with CGT.

Also yesterday Alfonsin and the CGT chief ratified their wish to curtail the president's power to sign emergency decrees and analyzed the make-up of the future Socio-Economic Council to be set up after the reform of the Constitution. [passage omitted]

Cuban Foreign Minister Views Trip's Objective

PY1404204994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1129 GMT 14 Apr 94

[Text] Buenos Aires, 14 Apr (NA)—Cuban Foreign Minister Roberto Robaina asserted that the nearly $1 billion debt Cuba has with Argentina "is not a tabled issue," but that Fidel Castro's administration "does not have the necessary money to repay it."

After meeting with Senate bloc leaders on 13 April, Robaina said: "In our view, the fact that the debt issue has not been tabled means that we will assess all possibilities and mechanisms so as to include some items like medicines and agroindustrial input."

Robaina was received after the meeting by President Carlos Menem at the Olivos presidential residence. The Cuban foreign minister noted that his trip to Argentina "mainly seeks to explain the investment opportunities Cuba offers." To this effect, he expected to hold talks with local business people from different sectors.

The diplomat—who headed the Cuban Communist Youth General Secretariat in the 80's and is now considered one of Fidel Castro's "dauphins" [delfines]—said the opening of the country to foreign capital "is part of the situation Cuba is going through, which can be labeled difficult."

He stated that this economic opening drive also applies to the political sphere. Regarding this, he said: "Cuba is willing to take any subject to the negotiating table as long as it does not affect its independence and sovereignty."

"Opening does not mean going backward in education, health care, science, or sports because these are achievements that we are not prepared to negotiate," he remarked.

Robaina explained: "The concept of a normal political opening in any country that lives under normal conditions cannot be applied in the case of Cuba, since it continues to be a besieged stronghold and cannot afford to lose its unity."

Commenting on the possibilities of a meeting between Presidents Carlos Menem and Fidel Castro at the next Ibero-American summit to be held in Cartagena de Indias, Colombia, in May, Robaina said it will depend on the heads of state's respective agendas.

"There are no concrete plans for a meeting, but we keep an open mind about it and the practical possibilities of holding such a meeting will depend on the meeting date and on Menem's and Castro's respective agendas in Cartagena," he pointed out.

With regard to trade relations between both countries, the Cuban foreign minister said: "There are many opportunities and our efforts are geared to areas like tourism, medical and paramedical services, biotechnology, and agriculture. Nevertheless, we have not yet discussed any project in particular."

Robaina stated: "Cuba has opened the country to foreign investment as part of a huge package of measures that are under way. This is precisely what we intend to explain to Argentine entrepreneurs. In this lies the fundamental objective of our visit."

Menem, Alfonsin Reaffirm Olivos Pact

PY1404221594 Buenos Aires BUENOS AIRES HERALD in English 14 Apr 94 p 13

[Excerpt] (DYN-NA)—Both signatories of the Olivos Pact on constitutional reform, President Carlos Menem

and Radical Party chairman Raul Alfonsin, moved yesterday [13 April] to squelch continuing rumours that the accord would be opened up for point-by-point negotiations yesterday.

The Radical leader also continued to defend his decision to support the ruling Justicialist Party's reform platform last year despite his party's distant second-place finish in Sunday's [10 April] Constituent Assembly election.

"I have complete assurance," Menem said yesterday, "that no matter how much (Radical Deputy) Jesus Rodriguez has expressed his desire to support Frente (Grande) or make an alliance" the pact will be fulfilled.

Rodriguez led the Radicals' Federal Capital slate of candidates to a third-place finish in a district that until last year's congressional election had been the party's stronghold. Following Sunday's election he raised the possibility of forming a broad opposition coalition to defeat Menem next year if the Constituent Assembly approves the Olivos Pact, which would permit the President to run for two consecutive terms in office. [passage omitted]

Roundup of Economic Reports

PY1504012994

[Editorial Report] The following is a compilation of reports on economic activities in Argentina monitored through 14 April.

Pluspetrol executives said a well drilled in the Ramos area of Salta Province has yielded a record production of 1.5 million cubic meters per day. This is one of the most productive wells in the continent. With five wells in operation, the gas field already produces 6 million cubic meters per day, about 8 percent of the country's total gas production. The drilling required a $10 million investment. The Ramos gas field's proven reserves total 100 billion cubic meters. (Buenos Aires PAGINA/12 in Spanish 9 Apr 94 p 8)

The discovery of a large gas field by Total, a French oil company, in the Southern Basin might increase the national gas production rate 20 to 25 percent. The drilling of two wells into the Carina offshore structure, 70 km off shore Tierra del Fuego Province, has been successful, yielding between 470,000 and 485,000 cubic meters of gas per day. After the new discovery, the basin's probable reserves might range between 120 and 150 billion cubic meters. (Buenos Aires PAGINA/12 in Spanish 9 Apr 94 p 8)

With the goal of curbing public spending and improving the honest and efficient use of state funds, the executive branch limited, through Decree No. 502, the ministers' powers to allocate and implement their respective appropriations. This was reported by Budget Under Secretary Marcos Makon, who explained that the decree signed by President Menem on 8 April establishes, among other measures, that the budget cannot be increased, even if there is more income, and there cannot be any reallocations unless there is a specific national executive branch decree. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 0011 GMT 13 Apr 94)

Country's Atomic Facilities Inventoried

PY1204214894 Buenos Aires CLARIN in Spanish 10 Apr 94 Economic Supplement p 8

[Unattributed article: "What Is the CNEA: Atomic Inventory"]

[Text] The CNEA [National Atomic Energy Commission] includes:

Three nuclear plants (Atucha-I and Embalse, in operation, and Atucha-II, under construction).

Three atomic centers (Bariloche, Constituyentes, and Ezeiza).

Eight associated enterprises (INVAP [Applied Research Institute], Coratec [expansion unknown], ALTEC [expansion unknown], ENACE [Argentine Nuclear Enterprise for Electrical Power Plants], Nuclear Mendoza, CONUAR [Argentine Nuclear Fuel Corporation, Inc.], FAESA [expansion unknown], and ENSI [expansion unknown]). A uranium concentrate plant (San Rafael). A manufacturing plant (Cordoba, for the manufacture of uranium dioxide). A heavy water industrial plant (Neuquen). A pilot plant for enriching uranium (Pilcaniyeu). Three reactors for research and training (Constituyentes, Bariloche, and Pilcaniyeu). A reactor that produces radioisotopes (Ezeiza). A semi-industrial multipurpose plant for irradiating foodstuffs and industrial materiel and for the sterilization of disposable biomedical products (Ezeiza). A 20 million-volt particle accelerator for basic research (Tandar Laboratory). Several centers for training human resources. A nuclear medicine school in Mendoza. A center for training nuclear and physics engineers (Balseiro Institute, Bariloche). Atucha-I Nuclear Plant. Net power: 337 net megawatts. Design: AECL (Canadian). Located at Embalse Rio Tercero, 100 km southwest of the capital city of Cordoba. This plant's design allows the production of the cobalt-60 radioisotope as part of the process. This radioisotope is used in medicine, agriculture, industry, and the preservation of the environment.

Argentina has 8 percent of the world market for this radioisotope, and since 1986 it has been exported to, among other countries, the United States, France, Belgium, Colombia, and other American countries. Atucha-II Nuclear Plant. (under construction) Power: 745 gross megawatts, 692 net megawatts. Design: Siemens-KWU. Work progress on 21 December 1993: 86.5 percent of the total work. Personnel working in February 1994: 3,664 workers.

In addition, the CNEA participates as an associate in the following enterprises: INVAP S.A. [Applied Research

Institute], Nuclear Mendoza SE, ENLACE S.A., CONVAR S.A., ALTEC SE., FAE S.A., Coratec SE., and ENSI SE.

Atomic Energy Agency's Privatization Viewed

PY1204232594 Buenos Aires CLARIN in Spanish 10 Apr 94 Economic Supplement p 6, 7

[Interview with Energy Secretary Carlos Bastos by unidentified reporter; place and date not given]

[Text] [CLARIN] Will the CNEA [National Commission for Atomic Energy] be privatized?

[Bastos] Let us begin with something more basic. Let us discuss the prospects for nuclear energy. When organizing the field, the state reserved for itself the role of supervising private activities and determining policies. For most countries where this activity is being developed with the private sector, nuclear energy is considered one of the future options to satisfy energy demand. In Argentina we developed our own nuclear industry, with our own technicians, heavy water fuel, and companies. It would be a grave mistake to waste all this wealth. The Energy Secretariat, as the agency responsible for determining policies, is deeply interested in seeing nuclear energy as one of the future energy options in Argentina.

[CLARIN] There is a study conducted by the Mediterranean Foundation headed by Juan Novara saying that the CNEA is not competitive and that nuclear energy is expensive, dirty, and is being abandoned throughout the world. Is this not contrary to what you just said?

[Bastos] Fortunately, we have had differences of opinion at the Mediterranean Foundation and each one can freely voice one's opinion. Yes, it is a little bit contradictory. I do not fully share Novara's views.

[CLARIN] But the International Atomic Energy Agency contends that 100 nuclear power plants are under construction at present.

[Bastos] I am not an expert in that field, but to talk about 100 nuclear power plants is a bit too much. I do not believe that such a number of power plants is under construction ...

[CLARIN] The report specifically states that there are 72 power stations under construction and another 54, the construction of which already has been approved ...

[Bastos] I could not give you precise data. What I do know, however, is that all industrial countries are trying to devise ways to lower the cost of future nuclear projects by trying to build a series of nuclear power plants having a standard design and improving security. In this regard, I disagree with Novara's assertion that atomic energy is expensive. Well, it is indeed expensive now because a barrel of oil costs $14. If the price rises to $20, things would change completely.

[CLARIN] And how will nuclear activities move ahead?

[Bastos] That is the key issue. The industry's organization is based on the participation of the private sector in risk ventures. It does not pertain to the state engaging in risk undertakings. The state is interested in developing nuclear activities but without participating as an entrepreneur. The CNEA cannot continue functioning as it is now; it must be restructured. At present it combines control with business activities and receives money from the Treasury for investments. It has been decided that the CNEA will be restructured so as to separate regulatory from business activities. This will have been concluded by December.

[CLARIN] Will they be privatized then?

[Bastos] That is totally reasonable. With our way of [answer incomplete as published]

[CLARIN] Incorporating private capital or selling the shares of the private stock company?

[Bastos] In the privatization of companies in the field, like Segba [Greater Buenos Aires Electrical Services] for example, we made what is known as a strategic sale of shares. We sold a percentage of the shares and the companies' control was transferred to the buyers of those shares. We took that line of action because it was impossible to reorganize those public companies within the framework of the state. Is the CNEA now in a similar situation to that of Segba? The answer is no because nuclear power plants are in an excellent situation. They have plenty of financial resources at their disposal, which shows that there are top-quality operation and maintenance groups. So what do we stand to gain by transferring the management of these nuclear power plants? Very little. Our first attempt to transfer the CNEA to the private sector will be made along the same lines as YPF [Government Oil Deposits].

[CLARIN] How much do you estimate CNEA Inc. would be worth?

[Bastos] The CNEA has a positive flow of funds amounting to slightly over $200 million annually.

[CLARIN] Once Atucha-II is operational its value will increase considerably.

[Bastos] That is precisely the point. It is very difficult to make an estimate because it depends on the investments that will be made to complete Atucha-II. Nevertheless, let us suppose that of the $200 million, the net cash flow totals $90 million. With a rate of return for seven years, it would add up to $600 million, which in turn is what we estimated is missing to complete Atucha-II.

[CLARIN] That is a very low estimate. The CNEA contributed $8.5 billion compared with the $600 million that could be obtained from the selling of all the shares.

[Bastos] We go back to the starting point, when we said atomic energy is expensive. I said it was because a barrel of crude today costs $14 and these estimates are based on

this oil price. If the prices climbs to $20 or $30, things will change. Even so I would not venture to say that it is a total loss.

[CLARIN] But $600 million compared with $8.5 billion ...

[Bastos] Yes, it is true. We are not taking into account how much the Atucha-I and Embalse Rio Tercero power plants produced, whether a very low price was paid, and whether the benefits were transferred to consumers. State Water and Power Enterprise and Segba had debts to the CNEA that were not totally repaid ...

[CLARIN] The CNEA argues that they owe it $500 million ...

[Bastos] In all likelihood the federal government was the one that remained as a debtor, but at the same time the CNEA also granted some type of credit to the government [as published]. Therefore, the best thing to do is start everything fresh.

[CLARIN] I insist, do you not think that $600 million is a very low price for two nuclear power plants that are already operational, Atucha-II—70 percent of which is already completed, and other industrial plants?

[Bastos] I do not think so. It depends on many things. We will never have a 100 percent return on investment for Atucha-II because it is a capital-intensive sector. When there are construction delays, the costs are terrible and one has to forego obtaining a 100 percent return on investment. Is the CNEA to blame for the cost of Atucha-II? It is not entirely to blame for it. The power plant's construction involves the handling of 40 or more contracts. During the times of hyperinflation, most of them were paralyzed.

[CLARIN] Do you approve of Manuel Mondino as a likely executive manager of CNEA Inc.?

[Bastos] I am going to give you the opinion of a teammate. From the technical standpoint, I think that all the CNEA staff is excellent. The only criticism I might have is that they need more knowledge about business administration, but they can be quickly trained in this field.

Menem's Sister-in-Law Acquitted of Drug Charges

PY1404221394 Buenos Aires BUENOS AIRES HERALD in English 14 Apr 94 p 13

[Excerpt] (DYN-NA)—Federal Judge Nerio Bonifatti has formally acquitted former presidential audiences director and the President's sister-in-law Amira Yoma in the notorious "Yomagate" scandal.

Amira Yoma has been summoned to appear in court this afternoon to receive the official notification that she has been definitely cleared.

President Menem yesterday [13 April] said that he regretted the way his sister-in-law had been treated since she was first accused of being part of the drug money-laundering scheme. Menem also accused the press of blowing up the statements of drug-dealer Andy de la Cruz Iglesias.

Bonifatti, who has been tipped for promotion to the Federal Appeals Court, is thought to have quashed the case on the basis of insufficient evidence.

Last week Federal Prosecutor Carlos Stornelli had recommended the acquittal of Yoma and other co-defendants. Stornelli is reportedly in line to succeed Bonifatti when he steps up to the Federal Court.

In 1991 Amira Yoma along with her then husband Ibrahim al-Ibrahim were accused by various witnesses of having been seen at Ezeiza International Airport with suitcases allegedly full of drug earnings from the United States.

The money passed through Customs without difficulty due to Amira's position as Presidential Audiences Secretary at Government House and her husband's senior Customs position, even though he hardly spoke Spanish and held a Syrian passport. [passage omitted]

Bolivia

Edgar Fernandez' Account of Evading DEA

PY1404121194 La Paz Television Nacional Network in Spanish 0100 GMT 13 Apr 94

[Text] [Announcer Carlos Mesa] At approximately 1930 on 11 April, I received a phone call from Edgar Fernandez Lazcano. Katia Rodriguez now will inform us about this phone call.

[Begin recording] [Katia Rodriguez] Edgar Fernandez said he met DEA agents in Bogota, Colombia, but that he managed to dodge the U.S. agents in Costa Rica. This is the report:

[Reporter Amalia Pando, identified by screen caption] Edgar Fernandez Lazcano, who worked for Isaac Chavarria, phoned the PAT [Television Journalists Association] to tell us he is not in the DEA's hands. But when Carlos Mesa asked him where he was, he said he would rather remain underground. When he was asked how he paid for his trips and these costly phone calls, he broke down in tears.

[Fernandez] I am so desperate that I am begging for justice in my country and the support of my university mates, the media, and all those who believe I am not lying.

[Pando] We have confirmed that the person who phoned was in fact Edgar Fernandez Lazcano, Chavarria's employee. Let us hear this person in the recording heard by the Constituent Commission:

[Fernandez] Help me don Oscar; I have no money. You cannot screw me after all I have witnessed, such as when you received 40,000.....

[Pando] Now let us hear the person who phoned PAT:

[Fernandez] My name is Edgar Fernandez Lazcano, identity card and passport No. 3365571, both issued in La Paz.

[Pando] There is no doubt that the voice belongs to the same person. Moreover, he correctly answered personal questions, such as when he obtained his identity card or what address he gave at the immigrations office when he applied for a passport. Therefore, we are certain that the person who phoned PAT was, in fact, Edgar Fernandez Lazcano.

We told him we wanted to know how he left Bolivia and entered Costa Rica because there is evidence that Fernandez Lazcano was abducted by the DEA.

[Fernandez] I will tell you how I left Bolivia when I am given guarantees to return to Bolivia. I will tell you what towns I went through, what means of transportation I used—all of it public transportation. I was never in contact with the DEA. The first time I got in contact with the DEA was when I arrived in Bogota.

[Pando] As you see, all the details of how he left Bolivia are uncertain. He told us later he ended up in Bogota, Colombia, but to enter Colombia you need an entry visa, which can be requested at any consulate. PAT confirmed that Fernandez Lazcano had not acquired that visa. He never appeared at the Colombia consulate in La Paz, Lima, or Quito. How then did he enter Colombia without a visa? One thing Fernandez Lazcano does admit is that the DEA took him to Costa Rica.

[Fernandez] When we arrived in Bogota, I talked to DEA agents. I concretely told them: The only thing I demand is that you help me reach the United States, and once I am there I will disclose everything. I admit having gone to Bogota. Initially they told me we would go to Panama and I said: Well, I will speak in Panama. At first they said: No. Speak now; tell us all you know now; tell us what they say. I answered: No, I am not going to speak here; I will speak in another country. At my insistence—because I said the United States or nothing—they first said we would go to Panama because the plane was too small to fly from Bogota to the United States. So, first we will go to Panama. When we were about to land in Panama, because I thought we were heading for Panama—I do not know why because the people who picked me up spoke English and understood, two of them especially, very little Spanish, I wondered whether we were in Panama, but it turned out we were in Costa Rica.

[Pando] Edgar Fernandez Lazcano's version sounds even more incredible when he says that he managed to dodge the DEA in Costa Rica.

[Fernandez] As you said, in Costa Rica I dodged the DEA, because I was surprised only three people interviewed me given the importance of the U.S. Embassy. I decided to follow my plan. I was arrested in Costa Rica because I decided to wait a few days and not go to Nicaragua as I planned in the belief that the DEA would be after me in Costa Rica.

[Pando] According to Edgar Fernandez Lazcano, after getting away from the DEA he was detained, by chance, for 27 hours by Costa Rican police. After he was released, a Bolivian prosecutor arrived to interrogate him.

[Mesa] Didn't you try to contact the DEA or did the DEA seek you after you were released in Costa Rica, and were you able to move freely and leave Costa Rica without any problems?

[Fernandez] This is what surprised me and made me really happy because when I was arrested the first thing I thought was: The Bolivian DEA [as heard] is quite capable of sending a fax or something and messing up my life because I have dodged them. But I became very happy when I realized they were not aware...

[Pando] Despite what Isaac Chavarria's employee asserts, the Costa Rican Government has its own version. It said Fernandez Lazcano left Costa Rica in a DEA aircraft bound for Miami. It is quite likely that Edgar Fernandez Lazcano may have made fun of the DEA but it is quite unlikely he will make fun of all of us.

[Fernandez] Regarding my job with Isaac Chavarria, I was one of his close aides. I do not know what he considered me, probably his dog's keeper, an employee with no rank; I do not know. But, unfortunately, during the several years I worked for him I learned about a lot of things.

[Pando] Edgar Fernandez Lazcano's conversation with Carlos Mesa lasted 45 minutes. During it he ratified all he told the Bolivian prosecutor in Costa Rica and a lot more. Among the new things he said was that Jaime Paz Zamora's government had offered Isaac Chavarria the possibility of benefiting from the repentance law.

[Fernandez] Before the 120-day deadline the government granted the drug traffickers to surrender, Susana Seleme went—I do not have concrete evidence about this but I was told that the captain was upset by the two visits Susana Seleme paid him on weekends to suggest that he surrender, that he benefit from the repentance law.

[Mesa] Who told you that?

[Fernandez] The captain's wife; you can ask her. I am sure she will not lie; I know she is aware of my true situation.

[Pando] So far we have all heard that Chavarria gave Paz Zamora money, but according to this new version Jaime Paz Zamora gave Chavarria $40,000.

[Fernandez] I maintain that Edith [Paz Zamora's sister] went to Santa Cruz, to Los Troncos town, where she met Chavarria. She asked Chavarria to help her find some good land to buy for Jaime Paz's sons. Taking advantage of this occasion, Edith said: Oso [Chavarria's nickname], Jaime has sent you this $40,000.

[Mesa] In other words, Jaime Paz gave Chavarria $40,000.

[Fernandez] That is precisely what happened.

[Pando] To that end, Fernandez Lazcano said he wants to return to Bolivia to speak, to disclose all he knows, but said he fears he will be arrested. He refused to say where he is now. Anyway, we all know he is in Miami, to be more precise, in the DEA offices. And we say this based on the report issued by the Costa Rican Government to journalists. [end recording]

Ex-President Paz Testifies on Alleged Drug Link

PY1404180894 La Paz Television Nacional Network in Spanish 0100 GMT 14 Apr 94

[Excerpts] Our colleague Amalia Pando has prepared an exhaustive report on former President Jaime Paz Zamora's statements to Congress. He appeared before Congress as a witness rather than defendant in a case investigating possible links between the MIR [Leftist Revolutionary Movement] and drug trafficking. This is what the Constituent Commission must determine, and this is why the former president of the Republic was summoned to testify.

The following is Amalia Pando's report:

[Begin recording] [Pando] The information that former President Jaime Paz Zamora today gave the Constituent Commission confirms his close friendship with Isaac Chavarria, who has been arrested under charges of drug trafficking. Paz Zamora, however, repeatedly denied having been aware or even suspected that his friend was linked to drug trafficking.

[Paz] As I have already stated, it started off as a political relationship. He wanted to work, from the political viewpoint, with the MIR and for the candidacy of Jaime Paz Zamora. But this relationship turned into a friendship in view of his moving background, which he himself disclosed, and the work and personal contacts he maintained. This is why if you were to ask me how many times I met with Isaac Chavarria, I would not be able to answer you. It is the same as if I were to ask you about any of your friends, and you started telling him how many times you saw him, where you saw him, how many times you met with him, etc. It should be pointed out that this friendship grew stronger, especially in 1987, and declined a little in 1988. But we hardly saw each other in 1989, and almost never during my four years as president of the Republic. This relationship, through me, spread to my family. Well, not all my family, but to my two sisters. I want to point out that this relationship never involved any type of crime. I also want to point out that Mr. Chavarria was always willing to work, to undertake projects. He always showed a great civic and patriotic spirit. I think he longed for his years in the Army. [passage omitted]

If my great friend Isaac Chavarria now has the misfortune of being involved in drug trafficking, I deeply regret it. But this fact by no means can stain the spotless relationship I maintained with him in the past.

[Pando] When the so-called narco-photo [showing Paz Zamora with Chavarria] was published, Chavarria was identified as a drug trafficker, but not even on that occasion did Paz Zamora suspect anything. He said that the reason was that on that occasion Chavarria disclosed his address, but that the Special Antinarcotics Force [FELCN] did not visit him.

He also referred to the position of his social defense secretary at that time, Alderete.

[Paz] The interesting thing is that on 11 June, I think, the media reported Alderete's answer to Deputy Gonzalez Quintanilla. As a result of the anonymous photograph attached to a letter sent to Congress, Alderete, the social defense secretary in Paz Estenssoro's government, promised Quintanilla, Congress, and the Bolivian people that within a week he would have a list of Isaac Chavarria's crimes, which he would send to all FELCN offices throughout the country. The country is still waiting for this information, which he had said would be ready within one week.

[Pando] MIR Deputy Luis Vasquez asked Paz Zamora whether the MIR leaders had ever warned him about the risks his friendship with Chavarria entailed.

[Paz] I want to reiterate what I have already said. I never suspected that Isaac Chavarria was involved in any crime. What fellow partisan Susana Seleme [Paz Zamora's private secretary] disclosed here before Congress does not belong to a specific meeting in Santa Cruz. I was never told: Fellow partisan Jaime Paz, come, sit down, we want to talk to you about this problem. What I did notice was that some [MIR] members did not like him. That is a fact. But MIR leader Guillermo Capobianco and other high-ranking members, for example, didn't have this problem.

[Pando] In 1990 Chavarria's home in La Paz was raided. Jaime Paz Zamora heard about this, and ordered his private secretary to find out about it at the FELCN.

[Paz] It was not a precise order. What I did do was to ask her to find out what had happened because, as I have already stated, the private secretary never gave instructions; in this case, she only asked for information on what had happened to determine whether there was anything illegal about the charges. That is what happened. Susana Seleme, as [name indistinct] mentioned and also reminded me, informed me that she had phoned (General Anez) who told her it was a routine operation

among the hundreds and hundreds of routine operations the FELCN carries out. I think they call them warning operations. And that was the end of that. After receiving that information I forgot the issue but now, after years, I realize through some documents mentioned here in Congress that the operation was not directed against Isaac Chavarria.

[Unidentified legislator] Didn't this information about the FELCN operation against Chavarria's home, linked to a recent event, arise any suspicions? We are talking about something that happened in 1989 or 1990, when you said called outrageous the charges that Chavarria was involved in drug trafficking. Didn't the information on the FELCN operation against Chavarria's home cause you to suspect something?

[Paz] The truth is that I accepted the explanation I was given, because in my capacity as president I had a thousand and one other things to think about, and forgot the issue. As I have already stated, my contacts with Chavarria had become very sporadic. At that time it had been almost a year since I had last seen him.

[Pando] After Chavarria's home in Irpavi was raided by the FELCN, Paz Zamora met with Chavarria at Edith Paz Zamora's home. He was asked whether on that occasion Chavarria ever mentioned the FELCN raid on his home in Irpavi.

[Paz] I do not remember. I am afraid I do not remember. Aside from our talks on the railroad ties—because he explained the problem, and I told him I would learn more about it before I decided what should be done—the meeting lasted longer than ever because we discussed politics. Chavarria is very interested in politics.

[Pando] Paz Zamora definitely did not find out before, during, or after his government that Chavarria was a drug trafficker. He also said that neither social defense under secretary (Gonzalo Torricos) nor the FELCN had warned him that Chavarria was involved in illegal activities. At this point Deputy Juan del Granado read 13 press reports from PRESENCIA, HOY, and other newspapers published in 1991, accusing Chavarrias of drug trafficking.

[Del Granado] ...PRESENCIA reports that Isaac Chavarria—I mean Isaac Etcheverria—heads a list of the nine most sought-after drug traffickers by Bolivian courts and anti-drug agents the United States had stationed in Bolivia. Didn't you read this information?

[Paz] No, I didn't. Well, there was another drug trafficker called Etcheverria who I believe was taken to the United States, but I think it was before then. I think he was the one who produced the evidence against [name indistinct]. But, well, in any case it does not refer to that Etcheverria. I did not learn about this, but what I wonder is, if it is true, why was I not informed directly? The FELCN is semi-autonomous. Why was there so much noise and no action? Alderete announced something in 1988, but never did anything about it. I think that worse than the fact that I did not read that press report, is that if the information was true nothing was done about it.

[Pando] But there were 13, not only one, press reports published around the same time mentioning Isaac Etcheverria and Isaac Chavarria as two of the most important Bolivian drug traffickers. Why didn't the FELCN arrest Chavarria during Paz Zamora's government? Paz Zamora himself asked this question which, some way or another, the Constituent Commission must answer. The second important aspect of Paz Zamora's statements to the commission were his charges, sometimes in a direct and sometimes in an indirect manner, against the U.S. Embassy and the FELCN of having orchestrated this plot to destroy the MIR, his family, and him. [passage omitted]

[Paz] I want to fully reiterate what I said in my message to the Bolivian people on 26 March. I reiterate my intention to withdraw from politics. I have realized there is a plan, through me, to damage the country, its image. There is a plan to harm the Republic, to harm values for which all Bolivians have worked hard, such as the values of democracy, national coexistence, national unity. I have also realized that there is not only a plan to harm our country, through me, but also my party.

[Pando] On this occasion Paz Zamora tried to change from playing defendant to plaintiff, and for this he railed against the FELCN, which is not very popular and on many occasions has been repudiated by the people. We will have to await the Constituent Commission's final report to know whether Jaime Paz' charges against dubious FELCN procedures will clear all that has been said about the connection he, his family, and the MIR reportedly maintained with drug trafficker Isaac Chavarria. [end recording]

Reaffirms Dependency on U.S.

PY1504015794 Madrid EFE in Spanish 2039 GMT 14 Apr 94

[Text] La Paz, 14 Apr (EFE)—Most Bolivian citizens who listened to former President Jaime Paz Zamora's voluntary testimony were discouraged and uncertain because he did not dissipate doubts regarding alleged links between politics and drug trafficking.

The public questioning by the Chamber of Deputies Constitution Committee of former President Paz Zamora maintained a very high audience during its six-hour broadcast, comparable only to the rating obtained by broadcasts of the soccer matches played by the Bolivian team to qualify for the 1994 World Cup.

Paz Zamora left citizens uncertain when he emphatically denied any link by his family, party, or himself to drug trafficking, yet at the same time admitted his personal friendship with drug trafficker Isaac "Oso" Chavarria.

The people's discouragement became worse when the high degree of dependency the country has on the United States was reflected in the statements to Congress by

former President Paz Zamora. His words ratified similar statements by current President Gonzalo Sanchez de Lozada.

Last weekend Sanchez de Lozada revealed something the Bolivian people suspected but did not openly admit: "We have a terrible dependency on the IMF, the U.S. Embassy, and the World Bank, who tell us what to do."

Paz Zamora warned that the U.S. cooperation in the struggle against drug trafficking may turn into interference. He added that no one had informed him that his "good friend Chavarria" was an alleged drug trafficker and that he, as president, was informed about antinarcotics operations.

"Everyone obeys who pays him," Paz Zamora said, adding that the Special Antinarcotics Force (FELCN) is not only advised but paid as well by the U.S. DEA.

The former president's statements seemed to be aimed at rekindling the traditional anti-U.S. feelings of the Bolivian people. He also roused a feeling of solidarity with his cause when he stated that he had "pinned the national banner on his chest" to implement "coca diplomacy," which hurt the feelings of the U.S. Government.

Paz Zamora and George Bush in 1990 signed a drug enforcement agreement that is still in force that regulates financial and technical cooperation, the DEA's advising of FELCN, and the substitution of coca crops.

Coca leaves, which are the raw material for cocaine, have become a point of friction between Bolivia and the United States. This Andean nation recognizes the need to eradicate cocaine but also faces a serious social and economic problem with the destruction of coca crops, which produce a living for about 300,000 peasants.

Roundup of Economic Reports

PY1404190494

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 14 April:

The Superintendency of Banks has reported that the private banking system made a $23.5 million net profit in 1993, a 0.8 percent increase over the previous year. Public savings increased $517.1 million. (La Paz PRESENCIA in Spanish 25 Mar 94 p 4)

On 28 March, the Swiss and Bolivian Governments signed four cooperation agreements totalling $6 million that will be used to promote several development projects. (La Paz HOY in Spanish 29 Mar 94 Political Section p 11)

The National Statistics Institute, INE, reported that the inflation rate in March was 0.08 percent, the lowest so far this year. The cumulated inflation rate for the first three months of the year is 1.29 percent. The decision to hold fuel prices avoided a major inflation rise. (La Paz HOY in Spanish 5 Apr 94 p 19)

The INE reported that the economy grew 4.6 percent in the first two months of the year. Agricultural production increased by 6.5 percent; livestock by 1.3 percent; hydrocarbons by 22.2 percent; gas production by 25.6 percent; fuel by 16.9 percent; mining products by 27.4 percent; construction by 3.7 percent; commerce by 1.7 percent; and bank services by 12 percent. (La Paz PRESENCIA in Spanish 5 Apr Economic Section p 4)

Human Development Minister Enrique Ipina on 4 April reported that the World Bank, the Inter-American Development Bank, and "friendly" countries have donated a total of $180 million to Bolivia for the education reform project. (La Paz HOY in Spanish 5 Apr 94 p 19)

Brazil

Amorim: GATT Accord To Benefit Exports

PY1504001194 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 14 Apr 94

[Text] A total of 125 countries tomorrow will sign in Marrakesh, Morocco, a trade liberation agreement that will mark the conclusion of the Uruguay Round of GATT talks. After seven years of negotiations, new rules have been established to govern world trade. The agreement sets up rules for establishing tariffs, financial services, and the overall trade spectrum that range from agriculture to intellectual property.

Brazilian Foreign Minister Celso Amorim, who is in Marrakesh, said the agreement will result in an average reduction of 40 percent in the tariffs of developed countries. In his opinion, the agreement will benefit Brazilian exports. The agreement also will benefit areas that had been outside the GATT framework, such as agriculture and textiles.

[Begin Amorim recording] In the case of agriculture, this agreement will be very important for Brazil because our exports of some agricultural products and even agroindustrial products such as soybean, oil soybean, and chicken were competing with subsidized products that came primarily from the EC and the United States. Subsidies will not be eliminated, but instead of continuing to grow, this trend will now be reversed and subsidies will have to decline. [end recording]

Amorim noted that the World Trade Organization, which will be created by the GATT member countries, will be charged with supervising the agreement.

Today Amorim addressed the GATT general assembly and emphasized the agreement's positive aspects and Brazil's hope that developed countries would discontinue protectionist and arbitrary measures.

Commentator Views Article by Foreign Minister

PY1304224294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Apr 94 p A3

[From the "Notes and Information" page: "Incomplete Agenda"]

[Text] The article in which Foreign Minister Celso Amorim outlined some features of Brazilian foreign policy, which O ESTADO published on 10 April, is important both because of what it says and because of what it does not say. It is such an exaggerated expression of support for multilateral action that to less alert readers it can give the impression that foreign policy and international law are exact synonyms, and that the only solution for any country, especially Brazil, can be found in international organizations. Minister Celso Amorim, who completed the brightest part of his career in multilateral discussions before becoming foreign minister, is aware however that a consistent foreign policy cannot do without the rude power balance contingencies stemming from bilateral relations. In his article, Amorim has precisely failed to describe the objectives and strategies orienting external action to countries like the United States, which are so relevant for Brazil.

It should be noted that since Celso Amorim has headed Itamaraty, Brazil has been relieved of part of the burden of its conflicts with industrialized countries. Next to Amorim's article, we published on 10 April an article by our Washington correspondent reporting a change in the attitude toward Brazil from some of the most influential U.S. policy makers [two preceding words in English]. They are people who were removed from their universe of reflection that fed on negative, mistaken perceptions of Brazil, perceptions that concealed the efforts Brazil has made over the past three years to modernize itself and to adapt itself to the new situation in international commerce. Part of this change in perception was caused by the weight of facts. But part of it also was caused by a systematic effort by Itamaraty to show in the big capitals of the world that the dynamics of Brazilian society and the Brazilian economy are leading the country along the path followed by industrialized nations. There are, of course, differences in speed and rate, but not of the goal.

It should be noticed, however, that the assistant secretary of state for Latin American affairs and the under secretary of commerce for international affairs [titles as published]—as well as other people in the U.S. Government or outside it—did not realize the changes that occurred in Brazil thanks to the country's presence at multilateral forums. An essential factor for them to realize that something positive was happening here was the resolution and settlement of matters dealing with bilateral conflicts that, because of today's interdependence, have affected relations between Brazil and other countries that share some of the principles upheld by the United States. In this way, the tension in Brazilian-U.S. relations dropped considerably after the Brazilian Congress approved the quadripartite nuclear safeguard agreement, an action that also permitted our relations with Germany to reach—or return to—a higher level. Likewise, the annoying question of the foreign debt was not blessed by the multilateral IMF; instead, the agreement with creditor banks moved forward thanks to the U.S. Treasury's support.

Brazil has good reasons to seek the protection of international organizations. A big country, yet unwilling to project its own power far beyond its borders, those in charge of Brazilian diplomacy prefer the legal protection granted by multilateral forums. This formula yielded results for some time, and it is still yielding good results in specific conditions. The problem is that Brazilian interests are becoming excessively complex to be handled exclusively with the consensus method of international bodies. For a country demanding rapid and original solutions, such organizations can delay the answers too long, and, since their answers are based on consensus, they will not fully take national interests into account. From this viewpoint, multilateral organizations entail "compulsory support," with which it is better to do away. Therefore, many multilateral organizations administer justice in business and politics because those organizations will always give mankind a basis for moving toward utopia. But many efforts also concentrate on the fast resolution of problems that affect our everyday life and that can be resolved only through direct dialogue between two sides.

Itamaraty has properly given priority to the new action aiming at promoting economic and political cooperation and integration in South America. New actions should preferably concentrate on our neighboring areas. It is important, however, that the search for new courses not erase old trails. Brazil's future will certainly depend on South American integration. But it is also true that the present is the platform of the future, and the present is linked to the United States and other industrialized nations.

Lula Promises Priority for Space Program

PY1504000394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Apr 94 p A7

[Article by Joao Domingos]

[Text] Alcantara—The PT [Workers Party] government will give priority to programs like that of the Alcantara Rocket Launch Center. This is what PT candidate Luiz Inacio Lula da Silva said on 13 April to Aviation Colonel Jose Celso Lauande, the center's commander, who met Lula to show him the way the project is operating. The project has been fully developed with Brazilian technology.

Lula, who started another stage of his Caravan of the Citizenry in Maranhao, carefully listened to Lauande's briefing. To help him ask the colonel questions, Lula was accompanied by Reserve Colonel Geraldo Cavagnari, who helped the PT design its program for strategic areas and advanced technology. The PT candidate showed his

indignation at the fact that the center needs $40 million to operate at full capacity. Of the center's total cost of $260 million, $117 million remains to be provided, for which reason the space program has been considerably delayed.

Cardoso Secures PMDB Dissident Support

PY1404223594 Rio de Janeiro O GLOBO in Portuguese 14 Apr 94 p 7

[Article by Jorge Bastos Moreno]

[Excerpt] Brasilia—Former Finance Minister Fernando Henrique Cardoso has practically secured the support of the main PMDB [Brazilian Democratic Movement Party] dissidents for his presidential candidacy. In a secret political negotiation, in which President Itamar Franco himself participated, Cardoso obtained the support of the so-called Rio Grande do Sul group, which is led by Senator Pedro Simon. This group is against the alliance between the PSDB [Brazilian Social Democracy Party] and the PFL [Liberal Front Party].

Cardoso also obtained a promise from ex-President Jose Sarney to support his candidacy as soon as the internal PMDB elections reveal stronger support for ex-Governor Orestes Quercia. Recife Mayor Jarbas Vasconcellos and some PMDB candidates to state governorships will work for Cardoso's candidacy after the PMDB internal elections. [passage omitted]

Central Bank Evaluates Foreign Currency Market

PY1404221894 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 19

[Article by Maria Clara R. M. do Prado]

[Text] Exchange operations on the financial market have registered an $800 million deficit. Payments on external obligations have heavily influenced Brazilian external accounts, while no sufficient compensatory income came from the financial sector.

Stock markets have continued to attract rather significant amounts of foreign funds—the balance is $251 million, including investments in stocks and portfolios. Foreign funds also have been attracted by fixed earning funds for foreign capital, which were created at the end of 1993 for investment of the debenture funds. The flow of income into these funds, which used to stand at $80 million a month, rose to $122 million, with the total value of fund capital standing at $1.631 billion on 30 March.

However, obtaining capital through bonds, notes, and commercial papers [preceding two words in English] has been rather slow. The balance in March was still positive—income reached $1.851 billion while the outflow stood at $1.6 billion—but the balance is expected to be smaller in March as a result of the difficulties in selling securities abroad, which Brazilian enterprises and banks already have felt.

Foreign currency operations tied to foreign debt obligations—this includes interest not only on the debt that was contracted in the 1970's but also on the debt contracted in this decade in bonds and other papers—have increased: remittances of $470 million went to pay interest, while $270 million went for amortizing loans contracted within the terms of Resolution No. 63 (contracting of external loans for domestic use).

Profits and dividends of $340 million also were paid, while $300 million was paid to amortize funds that were used for financing imports. The figures were released by the Central Bank, whose technicians believe the financial sector performed poorly because of the effects of the remittances and payments on the external obligations.

From a strict viewpoint, the influence of such payments and remittances should be inversely proportional to the country's ability to contract new loans abroad. Last month, the inflow of money into the stock markets was significant—it reached $1.851 billion—but in this case it is volatile capital. In the same month, the capital outflow reached $1.6 billion.

Actually, international reserves last month grew on the basis of the currency exchange operations involving foreign trade. At the foreign currency level, exports yielded $4 billion (effective cash inflow), repeating the performance of January. As for imports, which since the beginning of last year have had the same performance, they caused a foreign currency drain of $1.8 billion. Last month, the net income from financial and commercial operations stood at approximately $1.4 billion. This will push the first quarter's net surplus to approximately $7 billion, well above the $2.3 billion net surplus registered in the first quarter of 1993.

During the first days of April, the Central Bank has observed that export income remains high, standing at around $200 million per day. In the financial sector, however, incoming and outgoing flows still are registering a deficit. It is still early—only four workdays have passed—to conclude that this is a trend, but projections lead to the conclusion that April will also register a deficit in the financial exchange market.

Treasury To Issue Bonds To Finance Elections

PY1404212594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Apr 94 p A7

[Article by Marta Salomon]

[Text] Brasilia—The mint is getting ready to print the equivalent of $2 billion in bonds that will serve to back the financing of the elections for president, governor, and federal and state senators and deputies in October. This is the preliminary estimate of the cost of the campaign this year—the first one in which the law will

allow donations from companies and individuals. From the stamps on the letters to voters to opinion polls, shows, small jet expenses, and television programs, everything must be accounted for by the political parties and converted into electoral bonds that will be issued by the national Treasury.

According to TSE [Superior Electoral Court] Director General Alysson Mitraut, without having received the official campaign budgets from the parties yet, the TSE has suggested that the Finance Ministry print 20 million electoral bonds with values in UFIR's [reference fiscal unit] and real cruzeiros ranging from the equivalent of $100 to $100,000. Despite the high value of the bond issuance, the members of Congress who approved the law last September admit that part of the campaign money will not be controlled by the TSE.

The TSE cost estimate has shocked Finance Ministry experts. The proposal sent to Treasury Secretary Murilo Portugal coincides with an unofficial scale that circulates in Brasilia on the election costs. According to the scale, a deputy can be elected for approximately $500,000. A campaign for governor costs between $10 million and $15 million. And the election of the president of the Republic might cost something between $50 million and $100 million.

At the end of the campaign, if the law is fully obeyed, the TSE will have identified the financing sources of each candidate. Without testing the law's efficiency, the TSE is certain of one thing: The expenses that will be officially declared will be much higher than those in 1989. For example, during the last presidential elections, the coalition that took former President Collor to power declared having spent $850,000 in the two election rounds—nearly 100 times less than the average cost estimated for the presidential campaigns this year. [Workers Party presidential candidate Luiz Inacio] Lula [da Silva] said he has spent $365,000, which would only pay for three hours of television programs.

"Everything used to be registered in a double accounting in the past," admitted Deputy Eraldo Tinoco (PFL-BA) [Liberal Front Party- Bahia], responsible for the financial guidance of the PFL candidates. "There was a lot of hypocrisy in the past," Senator Marco Maciel (PFL-PE) [Pernambuco] summarized. During the times of the CPI [Congressional Investigative Committee] on PC [Paulo Cesar Farias], Maciel suggested that campaigns be financed by the government like in Germany—the only way, he says, to put an end to double accounting by companies, the diversion of funds from the national budget, or the reception of funds from the illegal numbers lottery.

"We will be very careful with the campaign money," said former Mayor Pimenta da Veiga, one of the coordinators for Fernando Henrique Cardoso's candidacy. PSDB [Brazilian Social Democracy Party] Secretary General Sergio Motta thinks Cardoso's campaign will cost something between $50 million and $70 million. "It is absurd to speak of hundreds of thousands of dollars," Motta said.

The campaign committee of PT [Workers Party] candidate Luis Inacio Lula da Silva believes Lula should spend more than what he spent in 1989 but not spend very much. According to PT members, transportation expenditures will be the highest but this will be compensated for by the low cost of television programs because the law demands that they be filmed in studios.

Electoral bonds are an innovation in Brazil. They were designed while the electoral laws were being amended, and their objective is to make transparent the relations between candidates and their financial agents. They operate as an electoral "currency," with receipts issued as in a legal financial operation.

The existing law sets forth that they will be printed by the mint as bearer bonds, numbered and valued in reference fiscal units (UFIR). The law also sets forth that they will be issued for a total equivalent to the overall expenses estimated by the parties for each election, at all levels.

Parties will have to operate with those bonds and will identify recipients—the enterprises and individuals who make donations for the campaign, for example, this year, for the candidates for the presidency, state governorships, Senate, Chamber of Deputies, and legislative assemblies. Financial supporters are entitled to an income tax reduction. For their part, parties must keep a list of donors, identifying each delivered bond, for five years.

It is expected that the bonds' creation will break the "underground" connection between candidates and entrepreneurs, especially contractors, avoiding in the future the repayment of investments made during the campaign in exchange for projects, favors, and budget amendments to satisfy the interest of electoral "donors."

Supreme Electoral Tribunal President Sepulveda Pertence fears that despite the issuance of bonds, irregular donations to campaigns will continue. In fact, the electoral courts will have a very short time—less than one month—to analyze party accounts before the elected officials take over their posts.

Joint Committee Approves Economic Plan Measure

PY1504004794 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 14 Apr 94

[Text] The Congressional Joint Committee approved the provisional measure for the economic plan. An index to calculate inflation in the new currency, the real, also was created. The rapporteur read his report, the government agreed with it, and the opposition protested.

The final report suggests 59 changes to the economic stabilization plan but it did not touch the essential: The minimum salary will stay as it is for the time being. In 30

days, the government will send Congress a proposal to gradually increase the minimum salary. Salaries in URV's [real value units] also will stay as they are for the time being. If after four months of conversion, that is; in July, workers conclude that they would have earned more under the former salary policy, the government will pay for the salary losses on the base date of collective labor contracts.

When the new currency is put into circulation, salaries will have additional protection. The Congressional Joint Committee report creates an index to calculate inflation in the real currency: The IPCR [Consumer Price Index in Real]. If this index indicates inflation in the new currency, it will be incorporated into salaries on the base date of each labor category.

The report was approved eight votes against one, despite the harsh reaction of the only congressman who voted against it. The provisional measure nonetheless still must be voted on by the Congress plenary before 28 April.

[Begin Finance Minister Rubens Ricupero recording] We believe this demonstrates very well that it is being understood that the stabilization is for the benefit of the country and all the Brazilian people. [end recording]

Finance Minister Addresses Nation

PY1404134094 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 13 Apr 94

[Address to the nation by Finance Minister Rubens Ricupero from his office in Brasilia; date not given—recorded]

[Text] Good evening. You, Brazilian workers in any position or activity, have just received your first salary in URV's [real value units]. In practice it is the first time we have felt the effect of the stabilization program in the workers' incomes. I know, however, that people still have many doubts, as a lot was said about alleged salary losses as a consequence of the conversion of salaries into URV's. The truth, however, is that no one has been able to demonstrate that these losses have in fact taken place. On the contrary, in some cases there have been salary gains. This is why I agreed with President Itamar Franco that tonight I would address the nation to explain the economic plan a little bit more.

For us workers, for most of us who receive a salary with which to face family expenses, the economic program yields many advantages. To receive a salary in URV's is to receive a salary corrected daily according to inflation. Contrary to other plans, our program began with the protection of salaries. Housewives who go to the supermarket know better than anyone else that salaries always lagged behind prices. No matter how many salary increases or salary readjustment triggers were applied, they never served to protect salaries.

This time it is different. With the URV salaries will run hand in hand with the prices in real cruzeiros, at the same speed. In addition, at this stage industrialists and businessmen, along with the government, are converting contracts, prices, and utility rates into URV's.

Well then, you may now ask yourselves: And the prices in real cruzeiros? Don't they continue increasing every single day? It is true, as I said before, that at this stage prices in real cruzeiros continue to increase while salaries lag behind. We need to stop this price stampede, because only a few privileged people obtain gains with it. At present salaries are already in URV's, and the prices that have already been converted into URV's are ceasing to increase. Why? Because whoever signs a contract in URV's stops readjusting prices. Thus, the price of things remain the same.

The government remains alert, as with beer and medicines. With the April salary you will be able to buy the same things you bought with the salary of March, the first one that was corrected. Today many products and services have two prices: one in real cruzeiros, which continues to be readjusted, and another in URV's, which remains stable and is also the measure of the value of your salary. The result is that commerce has increased its sales and people can buy goods in URV's with credits, without inflation, and without black market quotations.

Soon, given that salaries and prices will both be expressed in URV's, prices in real cruzeiros will no longer mean anything. Soon we will arrive at the much expected moment. Instead of only changing the name of the currency we will change the currency itself. But this will take place when the URV complies with its other role, which is to give producers and businessmen the conditions to foresee their costs and thus stabilize prices.

The new currency will come when the URV finishes its work. Only then will the new real come into circulation, substituting for the URV, ending the real cruzeiro, and it will be the new currency of Brazil without inflation. It will be a strong currency, like that of the developed countries; a currency that is valuable because inflation will be low, the economy will work, and salaries will have purchasing power.

We are making these changes without surprises, frights, without hurriedness, carefully discussing each of the next steps of the program. We will announce the implementation of the real at least 35 days before it is put into circulation. We now have a great chance, perhaps a unique chance to end an inflation that is destroying Brazil. We have begun by putting the house in order, balancing the government accounts, cutting expenses, and chasing tax evaders to increase tax collection.

We would all like to have a higher minimum salary and see all salaries raised. But let us be honest—right now that kind of increase would be unrealistic, because it would further fuel inflation.

Furthermore, it would bring a serious imbalance to the government's budget. Just to give you an idea, an increase in the minimum salary may ultimately cause the

social security system, and many state and city governments, to go bankrupt. The Itamar Franco administration has never thought that it could save the nation without the support of each Brazilian citizen; that is, without the help of workers, businessmen, housewives, students, and political leaders. We must all shoulder this responsibility.

I once again appeal to political leaders, to all candidates, to the members of Congress, and to the judicial branch about the need for them to understand the stabilization program. Please give this program a chance. Those economic packages that had instituted shock treatments, price and salary freezes, bank holidays, and even confiscation of savings were all approved by Congress, which gave these programs the chance to be put to the test.

It would be an enormous injustice if the first truly democratic economic plan—which does not contain either shock treatments, surprises, or any form of violence—should be denied the same vote of confidence.

Congress—which is sensitive to the feelings, anxieties and hopes of the Brazilian people—knows that it should pave the way for the implementation of a program that meets every condition required to be successful. This program does, however, need a chance to prove itself. Let us not deceive ourselves or the public. Without economic stability, we will not be able to increase salaries, correct injustices, or enable the government to discharge its duties concerning health, education, public security, and retirees.

This is the first time that a government, instead of spending more in an election year, is proposing a plan that reduces its own expenditures so that the next government, irrespective of who forms it, may inherit a sound economy.

All of those who are seeking to rule the nation beginning next year should understand that they will be unable to keep their promises if they assume a government that is undergoing an economic crisis with a high inflation rate, a government which would thus be rendered incapable of discharging its most basic duties.

The Brazilian people will not tolerate it if selfish interests prevent the implementation of the economic program in the coming decisive weeks. The fact of the matter is that we all know that. It is in the best interests of Brazilian voters to put an end to inflation, and not in hearing once again promises that will not bring solutions to the country's problems. And the worst socioeconomic problem in Brazil today is inflation. This is our main challenge, the target of our struggle. With the help of God and of all Brazilians, we will achieve our goal to build a better, more just country where there is no inflation, and where money and salaries may reward the efforts of the working class. Thank you and good night.

Roundup of Economic Reports

PY1404221594

[Editorial Report] The following is a compilation of reports on economic activities monitored through 14 April:

The Economic Research Institute Foundation, Fipe, has stated that the March Consumer Price Index, IPC, totalled 41.9 percent, almost 4 percent up on February. The Brazilian Institute of Geography and Statistics for the same period, however, showed the IPC totalled 42.7 percent, some 1.76 percent down on February. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Apr 94 p B3)

It has been reported that the British businessmen accompanying Foreign Secretary Douglas Hurd on his visit to Brazil have meet with National Iron and Steel Company, CSN, board members because they want to participate in the company's investment plan. The 6-year CSN plan contemplates investments totalling $950 million, $180 million of which have to be made in 1994. These resources will be used to reduce industrial costs, improve quality and productivity, and implement environmental control measures. (Sao Paulo GAZETA MERCANTIL in Portuguese 7 Apr 94 p 5)

A drop in the net amount of dollars entering the country in March caused the Brazilian exchange balance to drop to $1.7 billion. This is the lowest since September, when it fell to $380 billion. Since October, the balance has been surpassing $2.5 billion. This is not bad news to the Central Bank which has already been controlling the entry of dollars into the country to control inflation. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Apr 94 Section 2 p 1)

The number of construction companies that have gone bankrupt in Rio de Janeiro and Sao Paulo in March increased by 43.4 percent. In November 34 companies went bankrupt, this dropped to 22 in December, to 18 in January, and then rose to 23 in February. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 31)

The Goods and Services Movement Tax collection in Sao Paulo in March rose by 11.2 percent and totalled $701.5 million. Between January and March the Sao Paulo treasury collected $1.904 billion in taxes. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 3)

Brazilian exports in January and February decreased from $3.1 billion and $3.5 billion, respectively, during the same period in 1993 to $2.75 billion and $2.78 billion, respectively. Semi- manufactured product exports in February dropped by 24.81 percent and shoe exports by 1.17 percent, although coffee exports increased by 78.91 percent and orange juice by 65.78 percent. In the same month, Brazil exported $616.22 million to the United States, still its largest trade partner, and $280.2 to Argentina its second largest trade partner. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 5)

The Brazilian agro-industry grew 2.1 percent in 1993. The largest growth was registered in Rio Grande do Sul State, 6.6 percent, followed by Sao Paulo, 6.5 percent. This positive performance is a result of a 3-percent increase in agricultural production; soy bean byproducts increased by 4.9 percent; coffee byproducts by 7.6 percent; orange byproducts by 19.6 percent; and grape byproducts by 19.5 percent. Cacao-bean, wheat, and sugar cane production, however, decreased, as did cattle raising activities, which dropped by 3.2 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 17)

Brazilian car-manufacturers produced in March the largest number of cars in the sector's history. Although the car-manufacturing sector had planned to manufacture 1.5 million cars by 1995, the number of cars manufactured in the last 12 months already totals 1,481,000. Another record refers to car sales in the domestic market in March when 113,517 cars were sold. In 1993, 23 percent of the cars manufactured in the country were exported. From January to March this number increased by 29.8 percent and 79,711 cars have already been exported, 70 percent of them to Argentina. Tractors and agricultural equipment manufacture increased by 57 percent from January to March and 70.4 percent more of these were sold on the domestic market. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Apr 94 p B8)

The February unemployment rate totalled 5.37 percent. Compared to January, the rate decreased by 0.17 percent. (Brasilia Voz do Brasil Network in Portuguese 2200 GMT 8 Apr 94)

The Getulio Vargas Foundation has reported that the General Price Index increased by 44.8 percent in March. The accumulated increases since January total 173.8 percent and the increase accumulated in the last 12 months totals 3,421 percent. A poll by the Interunion Department for Statistics and Socioeconomic Studies on the price of basic foodstuff indicates that in March these prices increased above the Real Value Unit, URV, in 14 state capitals. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Apr 94 p 3)

It has been reported that foreign investments on the Sao Paulo stock market dropped in March from the 22 percent registered in February—when share movements totalled $95,410,000—to 20.6 percent. The movement in March totalled $62,100,000 million. (Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 20)

The Sao Paulo Gas Company has reported that natural gas consumption in Sao Paulo State during the months of January and February increased by 24.6 percent compared to the same period in 1993 in view of the increasing number of industrial consumers. (Sao Paulo GAZETA MERCANTIL in Portuguese 9 Apr 94 p 18)

It has been reported that fuel prices will rise 18.47 percent countrywide at midnight on 12 April. One liter of gasoline will now cost 594,00 real cruzeiros. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Apr 94 p B1)

Some of the main national banks will begin to convert a larger number of their operations into URV on 12 April. Interest rates on those operations will range from 2 percent to 5 percent over the URV variations. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Apr 94 pp A1, B1)

Strategic Affairs Secretary Interviewed

PY1304184494 Sao Paulo VEJA in Portuguese 6 Apr 94 pp 7-9

[Interview with Strategic Affairs Secretary Mario Cesar Flores by correspondent Eliana Simonetti at the old National Intelligence Service, SNI, office in Sao Paulo; date not given]

[Text] [Simonetti] Why are the military so sensitive over their salaries, as we could see during the crisis over the last few days?

[Flores] Since the Constitution was promulgated in 1988 there has been a process of dissatisfaction going on. At the time of the promulgation, the judicial and legislative branches adjusted their salaries high above those of the executive branch. Since then the difference has been increasing as a result of mini-adjustments and bonuses. It is not reasonable to see a four-star general receive a salary that is half the amount received by a congressional adviser, particularly as they are both paid by the same Treasury, i.e., by the taxes collected from the same persons.

[Simonetti] Why is this dissatisfaction more evident among the military?

[Flores] The civilian public employees' unions try to make themselves heard through inexpressive demonstrations staged at the Tres Poderes Square and at the Candelaria Square in Rio de Janeiro, and these demonstrations are quite disagreeable to the public in general. They also try to make themselves heard through strikes, which are normally unsuccessful. They have no power. The Armed Forces, however, draw the public's attention because of their hierarchical organization and by the impact of the traditional military presence in Brazilian politics.

[Simonetti] But are salaries the only problem?

[Flores] No. The federal government practically went bankrupt after 1988. We cannot build highways or ports, and we have no funds to make the public health system function. For the Armed Forces, the consequences of this bankruptcy are translated into excessive slowness in equipping and training the contingents. Only 2.5 percent of the 1993 national budget was allocated to the three branches of the Armed Forces. This 2.5 percent represented less than 0.5 percent of the gross domestic

product. From an international point of view this is an extremely low figure—particularly if we consider that with these funds we have to maintain a structure that has more than 300,000 men. From the professional point of view, all these people are living beyond their means. Nowadays the number of people choosing the Armed Forces as a professional alternative is decreasing. The middle class, which has always been the greatest source of military officers, has ceased to be so.

[Simonetti] Couldn't the professionalization of the Armed Forces be a solution?

[Flores] There is a justifiable controversy between compulsory military service and a professional Armed Forces in Brazil and in other countries. As the Armed Forces become technically more complex, soldiers and officers must be better trained. This is more difficult with the compulsory military service. Brazil has a low educational level, and the compulsory military service brings that low level into the barracks. The Armed Forces are becoming more professional all over the world. This is also happening in Brazil. Yet I believe it would be premature to eliminate the compulsory military service. It is better to keep it within the legal structure and to gradually reduce the number of recruits, simultaneously increasing the number of those who voluntarily join it.

[Simonetti] How is it possible to solve this increasingly generalized deterioration of public service which has affected the military and health sectors and the bureaucracy?

[Flores] The situation has become so serious that it is already affecting the country. Public services do not meet national needs. Fixing things will take time. We will first have to encourage qualified people to join and stay within the public sector. This can be accomplished only through appropriate salaries and conditions for productive and for professionally and operationally rewarding work. The solution calls for a restoration of the Union's financial health, and this depends on the reform of the Constitution. I don't believe it will be possible to restore good quality public service, like the one we had in the past, in less than five to 10 years. Yet we have to do something.

[Simonetti] Is money the only solution?

[Flores] No. It is also necessary to review the single legal system law. This law has increased the existing degradation, because public servants stopped being encouraged. All of them now have full retirement, job stability, and social benefits. This law, like the Constitution, is a set of benefits with just a few obligations.

[Simonetti] You don't speak the way military men usually speak. What do you think of the privatization of state enterprises?

[Flores] Many military men agree with me. My generation came after the generation of military men who radically support nationalization. That generation was in command in the sixties and seventies. I am for privatization. For example, I do not agree that the oil sector should be untouchable. It is the Union's monopoly—not an enterprise's monopoly—which has to be maintained. The gas pipeline from Bolivia to Sao Paulo proves that we have to introduce changes. It is obvious that Petrobras [Brazilian Petroleum Corporation] does not have the funds to finance the project. Neither does the Union. The gas pipeline depends on the private sector's money, and the World Bank will cooperate only if the project is under private sector control. And why shouldn't it be under private control? The same reasoning applies to the telecommunications and nuclear sectors.

[Simonetti] Do you think the private sector should also exploit the nuclear field?

[Flores] I think the government should exert a direct monopoly over the fuel cycle linked with nuclear weapons. But why not allow private companies to exploit the mineral and enrich it, under government franchise? There is nothing wrong with that.

[Simonetti] Don't you think that national security could be placed at a risk?

[Flores] No. What places national security at risk is inefficiency, not privatization. That is very clear in the area of ports. Those who want to maintain the ports under state control allege that they are important for national security. But national security is not at risk when a port is private and efficient. It is at risk when the port is inefficient.

[Simonetti] Congress is controlled by corporations like Petrobras [Brazilian Petroleum Corporation], Telebras [Brazilian Telecommunications, Inc.], and others. How can changes be implemented to solve these problems?

[Flores] The influence of these corporations exists. The corporations exert pressure on the national Congress. But there are people in Congress with different ideas, and some studies demonstrate that many congressmen favor the current constitutional revision. Many of them, perhaps most of them, favor maintaining the state, and not Petrobras, monopoly on oil. I think it is possible to make changes. We must not confuse the number of voters with the noises made by corporations that have a great capacity for shouting. It is funny to observe that nowadays, the political circles that opposed the military regime now defend the work done by the military regime and the state companies. They are political circles well represented in the PDT [Democratic Labor Party], the PC do B [Communist Party of Brazil], and part of the PT [Workers Party].

[Simonetti] They won all that in the 1988 Constitution.

[Flores] In 1988 the labor unions were very strong, in reaction to the previous regime, when they were very much controlled. That was reflected faithfully in the Constituent Assembly, when the cold war atmosphere still prevailed and ideologies were still important. Today

it is only those who don't want to who can't see that the world economy is becoming global. Either we join the trend and build a competitive economy in global terms, or we remain behind. Those who will pay the price of our backwardness will be our people, who will remain poor.

[Simonetti] Do you consider the constitutional revision a strategic matter?

[Flores] Yes. The revision is essential to allow Brazil to overcome its difficulties, to make progress and give the people a better standard of living. If the issues that are essential for helping the country are not revised we will continue to be stuck in the same place; we will continue to lag behind the rest of the world, with a poor people depending on welfare programs. That is not good for a country with 150 million inhabitants. I do not want to think what could happen tomorrow, or the day after tomorrow, but some day the problem will explode. It is better to straighten out the legal, economic, and social issues now than in the future through a social explosion.

[Simonetti] What about the Calha Norte project?

[Flores] This project will increase the state presence in the northern border area. That presence includes not only the Armed Forces, but also the Federal Police, Ibama [Brazilian Institute for the Environment], Funai [National Indian Foundation], the Revenue Office, health facilities, and others. A border post has a landing strip, an Army unit, a health unit for the local inhabitants, a Funai post, and so on.

[Simonetti] And what about the Amazon Surveillance System?

[Flores] There is a concealed accusation that it is a military project, but that is the least of what it is. It is a modern, high technology project to control and administer the region. It will allow the control of natural resources and of invasions of Indian reserves. It will also serve to repress smuggling and drug trafficking.

[Simonetti] In your opinion, is Brazil a vulnerable country?

[Flores] The Amazon region is vulnerable. Not so much from the point of view of a military threat, which is not probable, but from the point of view of illegal activities. The Amazon region represents a vacuum of power, of human presence, a disorder that must come under control. We are heading toward a new world in which borders are losing their traditional values. In order to control the Amazon region, Brazil must learn to use it. To use it implies controlling it. The most spoken about part of this project is the control of the air space, and there is a justification for this: In the Amazon, crime flies. Without control of the air space there is no way to control the Amazon region. Even the environmental matter depends on this.

[Simonetti] How is the Information Service doing now?

[Flores] The information service, today called intelligence, is being restructured without the vices that harmed the SNI. The information service is necessary; all organized countries have one. Ours, which was created in 1964 during the Castello Branco administration, began well, but with time its functions began to be distorted. There are many examples of this distortion, such as the interference in Serra Pelada [gold mine], which reached the point of being administered by Colonel Curio, a SNI officer. This kind of thing should no longer take place.

[Simonetti] How should an intelligence service operate?

[Flores] The intelligence service should be limited to gathering, analyzing, and disseminating information. It should not operate unless it does so for the purpose of gathering information. For example, when there is a meeting it is necessary to send intelligence personnel to see what is happening. This is absolutely legal. The service is being restructured to give the state a safe, modern intelligence service. Part of the work by the intelligence service is obviously secret. No intelligence agent—anywhere in the world—wears an identification card. There must be some secrecy in his work, but it should not be dubiously legal.

[Simonetti] The way your are speaking—you are using the future tense—it seems that the intelligence service is not operating now.

[Flores] It is working. It is working well. Almost every day I receive reports confirming facts, analyses of what is happening, and the press' and people's reaction to developments. We send our people to the meetings in which entrepreneurial organizations analyze the economic plan. There is nothing wrong with that. It is natural to do something like that. Information is then gathered, and we analyze it. We have competent analysts.

[Simonetti] Are they ex-SNI personnel?

[Flores] The majority of the analysts are. The operational area was heavily reduced in the fields that could be mistaken for police activity. In 1990, when former President Fernando Collor took power, the SNI had some 3,500 employees. Today the Intelligence Undersecretariat has 1,200 employees, all over Brazil.

[Simonetti] Are there agents outside Brazil?

[Flores] No. There were, in the past, but not now.

[Simonetti] What do you think of the creation of a ministry of defense, headed by a civilian minister?

[Flores] I believe that sooner or later there will be a ministry of defense, as most countries around the world with well-structured armed forces do have defense ministries. It is a matter of time; there is no rush. It is necessary to make a plan, as it is not simply a matter of saying that there is a ministry that is common to the three forces, but to achieve integration among the three forces.

[Simonetti] Isn't the presence of military men in political posts today a source of further complication for the country?

[Flores] I see no complication. Over the past 10 years, military ministers have carefully avoided meddling in political affairs. They are not a factor of complication for the political situation.

[Simonetti] Are conditions ripe for a coup today? Are there sectors that would like a coup?

[Flores] I am not aware of any. A coup is not carried out just because someone wants it. There must be a breeding ground for a coup, and there is no breeding ground in Brazil. The coups that had serious repercussions occurred under very special circumstances, which do not prevail now. For example, in 1964 there was a cold war atmosphere in which national security played a very important role. There was the problem of the masses joining the national political life, and this shocked the foundations of Brazilian tradition. There were also hierarchy and discipline violations within the Armed Forces. Furthermore, we should recall that people were on the streets, demanding a break, and this is not happening today.

[Simonetti] Will we have elections this year?

[Flores] Yes, beyond all doubt. Brazil assimilates, digests, and resolves its problems.

[Simonetti] Why did you stay in the government after the fall of President Collor?

[Flores] Ask President Itamar Franco. I am a servant of the state, and while I am healthy I will try to do a good job. Who the president might be is not very relevant to me.

Editorial Criticizes Church Election Document

PY1304221594 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Apr 94 p A3

[Editorial from the "Notes and Information" page: "Imposed 'Options'"]

[Text] With an already definite initial 1 million-copy edition, the Catholic Church of Brazil intends to publish a leaflet to teach Brazilians how to vote. This is an old custom; a lot of religious and non-religious people have done this. But we must recognize that such an "obligation" has become an obsession among a group of Brazilian prelates. In every election, always at the last CNBB [National Conference of Brazilian Bishops] meeting before an election, some kind of document defining how Catholics must vote is submitted to the bishops conference. In the past few years the tone has always been more or less the same—at least since the PT [Workers Party] appeared on the national political scene. This election year, The Responsible Vote does not conceal its position. The religious men who sign it define themselves politically.

The document distinguishes three threats to the informed vote: the resistance to voting, the lack of knowledge of what is at stake in the elections, and the lack of information about the elections. The latter subject is blamed by the voting instructors on the pernicious role played by the media, which "nearly totally" responds "to the interests of the major economic groups." Given that Brazilian voters cannot perceive what is correct without the help of these progressive clergymen, they have barely three options: the "neoliberal" choice, which represents the peak of submission of the sinners to Satan—given that this option meets the "recommendations of the IMF and the World Bank"—and preaches a considerable increase in the role of the market; then comes the "organized capitalism" option that attempts to "solve the crisis" through the reorganization of the economy and the state (is this a crime?). This threat is equally sinful because it seeks to promote a "swift incorporation of the Brazilian economy into the international market." And finally, the redeeming proposal, the "people's democracy proposal," which is the only one that seeks "to resume development by redistributing wealth and meeting the needs of the people."

Only one political party fulfills the yearnings of the national progressive prelates. As Bishop Demetrio Valentino, coordinator of the CNBB Social Pastoral and one of those responsible for the document, said: Political action is not "a mere option, but an obligation" for Christians. He added that through political action "men and women" transform society. However, serious problems can result from supporting this party because the PT does not divide humankind into two genders. Under the light of the Social Pastoral, can the third gender, which also is accepted by the PT, transform society?

In this document—which is plagued with commonplace ideas (such as "we should not be deceived by speeches" and "several candidates who make believe they are good and respectful persons only want to fool the people")—it is stated that our participation in the electoral process is not a matter of choice "but a matter of faith." Could it be that Pope Johan Paul II lends the word this meaning? Can "faith" depend on party obligations?

Two Deputies Stripped of Political Rights

PY1404235994 Rio de Janeiro O GLOBO in Portuguese 14 Apr 94 p 1

[Text] With 297 votes in favor and 116 against, the Chamber of Deputies on 13 April stripped Deputy Carlos Benevides (PMDB-CE) [Brazilian Democratic Movement Party-Ceara] of his political rights. In the morning, with 346 votes in favor and 42 votes against, alternate Deputy Feres Nader (PTB-RJ) [Brazilian Labor Party-Rio de Janeiro] also was stripped of his political rights. He cannot become a deputy nor run in the next elections. Benevides and Nader were both involved in the budget scandal.

President Itamar Franco on 13 April sanctioned a law approved by the Senate that increases from three to eight

years the term during which members of Congress are deprived of their political rights when found guilty of a lack of decorum.

New Presidential Spokesman Named

PY1504002894 Madrid EFE in Spanish 1653 GMT 13 Apr 94

[Text] Brasilia, 13 Apr (EFE)—The Planalto Palace Press Office reported that Brazilian President Itamar Franco today appointed journalist Fernando Jose da Costa as the new presidential spokesman, replacing Francisco Baker.

Da Costa is a 58-year-old employee of the state-owned radio and television network Radiobras [Brazilian Radio Broadcasting Company]. He has served as deputy to Baker for the past 18 months since Franco's inauguration.

Baker resigned as Franco's spokesman last month to take a top position in communications at the IMF in Washington.

Rio de Janeiro Fiber Optics Network Detailed

PY1204201694 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Apr 94 p 13

[Article by Heloisa Magalhaes]

[Text] In order to facilitate the installation of fiber optics cables in downtown Rio de Janeiro, Embratel [Brazilian Telecommunications Company] will use the ducts of the underground electric power network of the Light Company. There are 21.88 km of links making up the national fiber optics network, which Embratel is installing to interconnect the main Brazilian capitals.

This kind of installation will prevent not only the problems caused by work in very busy areas like downtown Rio de Janeiro, but will also reduce the cost of installing the fiber optics links, Embratel has reported. The cables will supplement the distribution work that the Rio de Janeiro Telephone Company (Telerj) is doing with the national network.

According to Embratel President Renato Archer, Eletrosul [Southern Electric Power Plants] electric power towers are being used for the Florianopolis-Curitiba-Porto Alegre connection. The interconnection with Curitiba and Sao Paulo follows the railway network. The work toward awarding the contracts for the work in these two cities is in its final stage. The connection between Rio de Janeiro and Sao Paulo is ready. It has operated since August 1993, following the Via Dutra highway. Through this connection it will be possible to gradually increase the capacity for simultaneous phone calls between the two cities to 123,000, whereas today that capacity lies at 39,000.

Archer added that a "fiber optics triangle" joining Rio de Janeiro, Sao Paulo, and Belo Horizonte is about to be completed. "This triangle is larger than the entire Spanish fiber optics network," he said. He expects that by the end of the year the contracts for all the connections to the northeastern region will already have been awarded, taking cables from Rio de Janeiro to Fortaleza. In the area between Salvador and Fortaleza the electric power network will be used for the cables, thanks to an agreement with CHESF [Sao Francisco Hydroelectric Company].

According to Embratel reports, the use of electric power company ducts permits a substantial reduction of the cost of installing the national network, which provides for investments of up to $1.5 billion until 1996. The network reaches Europe through the Columbus underwater cable, which is being installed. Connection with the United States will be done through the Americas II system, while Mercosur [Common Market of the South] countries will be connected with Brazil and with the northern hemisphere through the Unisur cable.

Chile

PRC Defense Minister Meets With Pinochet

PY1404205094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 14 Apr 94

[Text] Today, the second day of his official visit to Chile, PRC Defense Minister Chi Haotian met with Army Commander General Augusto Pinochet.

Colonel Chi Haotian is responsible for one of the largest armed forces in the world. The PRC land, sea, and air forces comprise more than 10 million soldiers.

Chi Haotian came to Chile in response to an invitation by the Defense Ministry and met with Chilean Army Commander Gen. Augusto Pinochet. The PRC minister is accompanied by seven high-ranking PRC People's Liberation Army members. The two military commanders introduced each other to their respective successors [as heard] and exchanged gifts, after which they held a 25-minute meeting.

One of Chi Haotian's most important activities in Chile will take place this afternoon when he will visit the FAMAE [Army Ordnance]. There is a chance the PRC will want to purchase Chilean-made war materiel.

Holds Talks With Frei, Visits ENAER

PY1404223194 Madrid EFE in Spanish 0113 GMT 14 Apr 94

[Text] Santiago, Chile, 13 Apr (EFE)—Chilean President Eduardo Frei today held a meeting with Chi Haotian, the visiting PRC defense minister and CCPCC member. This is the last stop on his Latin American tour that has included Brazil and Uruguay.

During the meeting, President Eduardo Frei noted the excellent level of Sino-Chilean ties, which were particularly improved after the official visit then-Chilean President Patricio Aylwin paid to China in November 1992.

Frei stated that he admires the great efforts made by China to achieve national development and expressed his desire to increase bilateral ties on the basis of mutual respect for the specific conditions in each country.

For his part, the PRC defense minister explained that his government is implementing a foreign policy upholding the principles of independence, self determination, and peace.

After meeting with Frei, Colonel Chi Haotian meet with Air Force Commander General Ramon Vega and visited the School of Aviation and the National Aeronautical Enterprise (ENAER).

Within the framework of his four-day visit to Chile, Chi Haotian is scheduled to tour the Chilean Naval Shipyards, located in Talcahuano port, 531 km southwest of Santiago.

Government To Sell Airline, 3 State Companies

PY1504013494 Santiago Radio Cooperativa Network in Spanish 2300 GMT 14 Apr 94

[Text] Economy Minister Alvaro Garcia and the minister vice president of Corfo [Production Development Corporation], Felipe Sandoval, announced this afternoon at a news conference the government's decision to privatize Lan-Chile [Chilean National Airline], Edelnor [Northern Electricity Company], Empremar [State Maritime Enterprise], and Transcontainer [branch of Empremar], which will allow, said Minister Garcia, increasing the public resources needed to improve the opportunities of Chileans with little resources.

Garcia added that the privatization process of Lan-Chile for the sale of about 35 percent of its shares has begun. He added that keeping Lan-Chile will only introduce distortions and make competition in the air market too rigid. It also was announced that the contract the government will sign with a brokerage firm for bidding on Lan-Chile was sent to the General Comptroller's Office. The call for bids to privatize Lan-Chile and the other companies will be made at the national and international level.

Minister Felipe Sandoval referred specifically to the case of the Empremar Company, which has a branch, Transcontainer:

[Begin Sandoval recording] This company has a legal restriction imposed during the military regime that prevents the state from selling more than 35 percent of the company. What we will do in the next few days is to submit a bill to remove that restriction on the company in order to allow its capitalization, to allow its association with the private sector in order to solve its economic problems. [end recording]

Economy Minister Alvaro Garcia was asked if this decision that is being made only one month after the new government was inaugurated was a bit too hasty, too fast.

[Begin Garcia recording] As we said, our intention is to have the markets operate efficiently. And we believe market conditions will allow the efficient operation of these companies through the private sector. [end recording]

Garcia said the government will guarantee an appropriate price for the sale of public companies, thus safeguarding workers' legitimate interests and giving them the option to participate in their purchase. He also said this privatization process is the first in this administration and the idea is to continue with the privatization of public companies because it is the best way, Garcia emphasized, to safeguard the interests of all Chileans, especially the poor.

Ecuador

Roundup of Economic Developments

94P20646

[Editorial Report] TRADE WITH COLOMBIA UP—An editorial in the 11 March Quito daily HOY commented that the 1992 free trade agreement between Ecuador and Colombia has had a "spectacular effect," and that bilateral trade has "exceeded all expectations." According to the editorial, in 1993 Ecuadoran exports to Colombia increased over 100 percent and there was a 46-percent increase in imports from that country. The editorial added that Ecuador has become the third largest exporter of nontraditional products to the Colombian market after Venezuela and the United States. Colombian investment is also on the rise, the editorial continued, with about 350 Colombian companies establishing factories or forming joint ventures in Ecuador. Furthermore, the 25 March HOY reported that the Ecuadoran-Colombian Chamber of Commerce revealed that Colombian capital constitutes 18 percent of the capital of 327 Ecuadoran companies. Heran Leon, executive director of the Ecuadoran Federation of Exporters (FEDEXPOR), told the 10 March HOY that evidence of the new trade openness was manifested at the first Andean Fair held in Pasto, Colombia from 26 February to 6 March.

On 6 March, the Quito business daily EL COMERCIO reported that between 1991 and 1993, Ecuadoran exports to Colombia increased from $40 million to $195 million, breaking the 1983 record of $160 million, according to estimates by the Colombian Embassy in Quito. The daily reported that Colombia fared even better in 1993 with $224 million worth of sales, a 191-percent increase from $77 million in 1980. As for Ecuador's principal exports to Colombia, the 10 March HOY reported that, in 1993, exports of automobiles totaled $40 million; seafood products, $12 million; fish meal, $9.5 million; palm oil, $5 million; plywood, $3.1

million; followed by 10 other products. Colombian products most in demand in Ecuador include raw sugar, books and printed material, textiles, medicines, sweets, and tires.

By January 1994, according to 6 March EL COMERCIO, Colombian exports to Ecuador through the border town Ipiales were 53.4 percent higher than during the same period in 1993. Negotiations are under way to construct a Pacific coast highway connecting the province of Esmeraldas in Ecuador with the port of Tumaco in Colombia's Narino Department. The project will include the construction of a bridge over the Mataje River which would link the Colombian department of Putumayo with the Ecuadoran province of Sucumbios.

WOOD EXPORTS—The Quito daily HOY of 17 March reported that, in 1993, wood exports surged to $15.8 million following the 1992 slump where wood exports only amounted to $5.8 million. Between 1988 and 1992, wood exports, mainly to the Andean Group, had been steady at approximately $12 million. Following the 1992 slump, Ecuador started reentering foreign markets, especially "nonprotected" ones such as Korea, Europe, and the United States, ecuador's principal client. The inefficiency of the country's forestry sector was pointed out by Alberto Robalino, president of Ecuador's Forestry and Lumber Development Corporation (CORMADERA), who said that around 10 million cubic meters of wood are cut annually, but 70 percent is wasted and remains in the forest after it is cut.

GUAYAS PROVINCE GENERATES MOST INCOME—A study by the Guayaquil civic council and the Chamber of Commerce found that Guayas Province, where Ecuador's largest city, Guayaquil, is located, generates 49.36 percent of the country's sales, 63.51 percent of its customs receipts, and 45.40 percent of its nonpetroleum revenue. Over 55 percent of the nation's companies and 54 percent of its banks are located in Guayas. However, the study indicates, this province only receives 11.7 percent of provincial council allocations. The state's centralized system was blamed for "hampering Guayas development," according to Guayaquil EL UNIVERSO of 30 March.

SPANISH CREDIT FOR DAM—Spain has granted Ecuador $123 million to complete the construction of the La Esperanza dam, due in 1995. The dam is part of the project to provide Manabi Province with water for agricultural and home use, reports Guayaquil EL UNIVERSO 2 March.

CREDIT FOR INDIANS—Quito EL COMERCIO on 18 February reports that the European Commission has approved a credit line of $2.1 million to finance a development program for the Indians of Pastaza Province. The 5-year program will aim at preserving natural resources, rehabilitating lands, diversifying diets, and improving livestock raising. The program will also encourage ecotourism, health and education workshops, and the construction of communal meeting places.

Paraguay

'Terrorist' Plans To Poison Israeli Beef Derailed

PY1404200194 Asuncion ABC COLOR in Spanish 14 Apr 94 p 90

[Excerpt] The Shiite terrorist who came to our country intended not only to attack Israeli diplomatic headquarters here, but also to poison Israelis in the Middle East as well. To achieve this, he planned to gain access to large shipments of beef earmarked for Israel in order to poison them with a powerful toxic substance.

This warning was announced by the Israeli intelligence service soon after it informed the Paraguayan National Police that Ahmad al-Maqdaf, a fundamentalist Shiite, had arrived here a month ago.

Police Superintendent Enrique de Jesus Martinetti, director of the National Police Intelligence Department, confirmed this report and noted that the information was provided by the Israeli secret service.

The terrorist had to locate meat-packing plants that export meat to Israel, find a way to gain access to the products, and then poison them with a deadly toxic substance.

The consequences would have been devastating. The objective was to kill hundreds of Israelis in important cities in their country.

The name of the meat-packing plants are "Frigobeef," located in Capitan Lombardo close to Artigas, and "San Antonio" in the city of the same name.

Intelligence Department personnel went to those meat-packing plants and warned the managers to take the necessary precautions by not allowing strangers on their premises, thereby foiling any sabotage attempts.

Martinetti noted that the meat was imported by a private—not government-owned—Israeli meat-packing plant.

He said: "We were alerted by the Israelis and are now conducting inquiries. We have been informed that this Shiite, Ahmad al-Maqdaf, intended to poison a large shipment of beef that was going to Israel. We have apparently foiled this attempt with the help of the Israelis. Al-Maqdaf has been already seen in Lebanon." [passage omitted]

Commentator Thanks Departing U.S. Ambassador

PY1404162694 Asuncion NOTICIAS in Spanish 14 Apr 94 p 12

[Commentary by Marilut Luis O'Hara: "So long, Mr. Glassman"]

[Text] Perhaps he will not receive an award for being the best diplomat, because maybe he isn't. He ignored the rules many times because he considered it necessary. He

gave priority to the human facet of his work. Being a foreigner, he involved himself in internal affairs when he believed it would benefit the people. He condemned what was condemnable, he did not hide his annoyance over the government's arbitrary measures and, committing the serious crime of interference, he prevented a coup d'etat with a fierce communique, which possibly merited the disapproval of experts in international relations.

It cannot be doubted, Mr. Glassman, that you have done a lot more for this country than many politicians who stress that they are fighting for the needs of the people, and yet take advantage of them when they can.

It is a pity that he is leaving. Even at the risk of sticking my nose into the internal affairs of your country, I decry your government's decision to deprive us of a much valued and honorable person who was not afraid to lose the confidence of the Paraguayan authorities if that helped consolidate the national process.

It would have been very significant for us for him to have continued as head of the U.S. Embassy in these times. We Paraguayans know that things are not going well, that there are too many people interested in returning this country to the past, and that it is those people who have the decisionmaking power within the government.

Up to the present, we have only had you to confront the power of those persons, their lack of decency, and their arrogance. The only hope we have now is that your successor will not respect diplomatic rules, and yes, that he will respect democracy, the banner that you raised so bravely.

There are very powerful sources in Paraguay that have decided that the country must return to the dark age of dictatorship. We decent Paraguayans have decided not to allow this backward step, because in this process we have taken risks, and have many times lost too many things and dear ones, which demands from us the final victory.

But we also need the international community to support us. Paraguay was an island that the world ignored during the Stroessner dictatorship. Your country supported the dictator when this coincided with its interests. We do not want that to occur again. Only with the help of the world's democratic nations can we prevent a return to the dark ages, a move desired by those who hold power today.

For this reason we need experts in diplomacy. We do not want people who stick to the rules, to protocol. We want persons who will stick out their necks when it is necessary to consolidate a process that has lasted too long already and has shed so much Paraguayan blood. We need someone like you.

There is no doubt about it: You will not receive an award as the best diplomat, but please accept the thanks of a people who are trying to get out of the dark, and who have mortgaged all their efforts in order to achieve this.

Thank you, Mr. Glassman, and so long.

Roundup of Economic Reports

PY1504023494

[Editorial Report] The following is a compilation of reports on economic activities in Paraguay through 14 April.

According to the Central Bank, BCP, the drop in March's inflation rate, which stood at 1.9 percent, shows that inflation will continue its downward rate. The BCP believes the measures it adopted, namely a strict control of monetary policy, and the adjustment policy implemented by the government were instrumental in curbing the inflationary spiral. (Asuncion ABC COLOR in Spanish 6 Apr 94 p 16)

Paraguay owed more than $566 million to the Paris Club by 31 December 1993. This represents 46.5 of Paraguay's foreign debt. Paraguay's largest creditor in the Paris Club is Japan, with which the debt totals about $260 million. Paraguay's second-largest club creditor is Germany, with more than $134 million, followed by France with $63 million. Fifty-one percent of the foreign debt involves multilateral organizations. The Inter-American Development Bank is the largest creditor, with $429 million, followed by the World Bank, with about $150 million. Paraguay's foreign debt totaled $1.217 billion by late 1993. (Asuncion ABC COLOR in Spanish 10 Apr 94 Economic Supplement p 3)

According to information from the General Customs Directorate, Paraguayan exports totaled $172 million during the first quarter this year, which represents a 32 percent increase compared with the same period last year. Soybean exports totaled $78,477,750; lumber, $17,169,061; leather and hides, $11,905,205; cotton, $8,596,638; frozen meat, $8,067,565; essential oil, $2,027,979; meat, $1,014,856; and coffee, $526,500. Paraguay's main purchasers were the Netherlands, with 32.6 percent; Brazil, 23.5 percent; the United States and Argentina, 7.6 percent; and Bermuda, 4.4 percent. (Asuncion ULTIMA HORA in Spanish 14 Apr 94 p 21)

Peru

Fujimori States 3d Guzman Letter 'Under Lock'

PY1404155494 Lima Global de Television Network in Spanish 0130 GMT 14 Apr 94

[Text] President Alberto Fujimori announced today that he has a third letter from Shining Path leader Abimael Guzman and he will reveal the letter at the appropriate time. Fujimori also denied that a letter published in a local magazine is true.

[Begin recording] [Fujimori] [words indistinct] Second, I am keeping the third letter under lock, in a safe, and no one else knows the combination. I therefore do not see

how the letter could have left my safe. Then [words indistinct] the magazine published a letter which is not the third letter. I deny it.

[Unidentified reporter] [words indistinct]

[Fujimori] [words indistinct] Look, here we must use censorship to be able to handle properly the psychological aspect in the struggle against the Shining Path. The handling of this has been good. Now no one can criticize me about why the letter was published or that it was a propaganda coup for the Shining Path. All the facts contravene this statement because, thanks to the way the famous letters of Guzman were handled, massive desertions took place—not hundreds, but thousands of Shining Path members deserted. The study we made from the psychological point of view was correct. [end recording]

Goldenberg, Argentine Counterpart Sign Communique

PY1504000694 Lima EL COMERCIO in Spanish 6 Apr 94 p 1

[Text] Peruvian Foreign Minister Efrain Goldenberg Schreiber and Argentine Foreign Minister Guido Di Tella on 5 April issued a joint communique at the end of Foreign Minister Guido Di Tella's official visit. In the communique, the foreign ministers reassert their countries' willingness to increase bilateral integration and cooperation at different levels.

During his stay in Lima, Foreign Minister Guido Di Tella met President Alberto Fujimori, to whom he extended the greetings of Argentine President Carlos Menem. He also met Jaime Yoshiyama Tanaka, president of the Democratic Constituent Congress.

The Peruvian and Argentine foreign ministers stressed the importance of the upcoming Argentine-Peruvian presidential summit scheduled to be held in three months.

In the communique, the Argentine Government confirms its willingness to grant financial help to Peru for the construction of integration highways. The communique also expresses the desire of Argentine companies to increase their investments in Peru and to form joint ventures with Peruvian companies.

In the communique, the Peruvian and Argentine Governments reassert their commitment to world peace and condemn the proliferation of weapons.

Before departing for Argentina, Foreign Minister Guido Di Tella held a news conference in which he referred to the full enforcement of the Rio de Janeiro Protocol signed by Peru and Ecuador, of which Argentina is a guarantor.

Di Tella stated that any negotiations undertaken should be conducted within the framework of this protocol. He said: "We believe that what has been signed must be enforced. We believe in this protocol and in the role we have assumed." Di Tella added that the Rio de Janeiro Protocol "is the most adequate mechanism."

Government, Opposition Dispute Election Procedures

PY1404211194 Madrid EFE in Spanish 1538 GMT 13 Apr 94

[Text] Lima, 13 Apr (EFE)—The Peruvian Administration and the opposition parties are clashing over the control mechanisms for the general elections that will be held next year. The two parties are charging each other with intolerance and irresponsibility.

The clash began on 12 April when the Congressional Constituent Committee cast a tie vote on the opposition's proposal for a fourth set of voting records in addition to the three sets of records that the officials who oversee the balloting normally keep.

The fourth set of voting records would not be given to the voting officials or the Armed Forces, which are entrusted by law with keeping all voting records. According to the opposition, this fourth set of records will help oversee the elections and prevent fraud.

The opposition also objected to Constituent Committee Chairman Carlos Torres' vote that broke the tie after he had promised to abstain. Incidents cropped up and insults were exchanged in the corridors of the congressional building.

Torres said that had the proposal to have a fourth set of records been accepted, "it would have made the electoral process chaotic. What would happen if this fourth set of records revealed something totally different from the other three? Can you imagine the problems this would create?"

The opposition threatened to bring charges against Congress Chairman Jaime Yoshiyama for not calling a plenary meeting because the legislative year should have started on 1 April. The opposition also asked Yoshiyama to attend because he has been absent from all seven Congressional Executive Board meetings held so far this year.

With one year to go before the general elections in April 1995, nobody knows at this point what organization or organizations will be in charge of organizing and coordinating the elections, which will be held within the framework of the new Constitution.

Congress is embroiled in a pointless debate, constantly changing its course that leads nowhere. On the contrary, the disagreements between the pro-government majority and the opposition are getting worse all the time.

The core of the problem is the new electoral system outlined in the new Constitution that was ratified by referendum in October 1993.

Under the new Constitution, the National Electoral Board has been divided into three separate organizations. It will require a long and complicated process to get these three organizations up and running, and there is little time left for this.

The opposition wants the National Electoral Board to handle the 1995 elections as it has done with the three previous elections held in Peru under President Alberto Fujimori's administration. The various opposition parties also disagree among themselves on what steps should be taken to achieve their objective.

The Constituent Committee has approved a bill from the Peruvian Bar Association according to which the Constitution does not have to be amended for the National Electoral Court in order to coordinate the 1995 elections. The bill has to be approved by a plenary meeting, which has not been called yet.

Experts agree that if the constitutional provisions are followed to the letter there will be no time to set up the appropriate organizations. Certain news organizations have warned that the elections may have to be postponed.

The new electoral system is made up of the National Electoral Board, which will establish the rules and regulations; the National Office for Electoral Procedures (ONPE) [Oficina Nacional de Procesos Electorales], which will organize the elections; and the National Identity and Marital Status Registry, which will provide the list of voters.

The National Council of Magistrates has to appoint the ONPE head, and this council has not been assembled yet. The election of council members will require a lengthy process that will only further delay the establishment of the new identity registry.

Lack of Time for Electoral Process Discussed

94SM0307A Lima SI in Spanish 14 Mar 92 pp 20-21, 73

[Unattributed article: "The Clock Does Not Work"]

[Text] According to the law and the almanac, it is simply impossible to carry out the next electoral process within the time period planned by the government party. Some people have made erroneous calculations based on the closing date for the registration of candidates, which falls on 10 October 1994. They seem to be forgetting, however, that the elections must be convoked by 15 August at the latest. To make this possible, all of the electoral bodies for which the current Constitution provides would have to be installed. This cannot be achieved, even with the aid of Macuito.

A detailed analysis of the steps that must be taken in order for the elections to be held in April of 1995 reveals that 281 court days, that is to say 13 months, are needed for the implementation of all of the electoral mechanisms required by the Constitution. Even if work is done at a forced-march pace, full steam ahead, and allowing no respite, 157 court days—that is to say seven and a half months—would be needed.

In the first case, assuming a normal rhythm, the electoral requirements would be met by about April 1995. This is why the general elections, according to the electoral law in effect—Law 23903, Article 2—are to be held "on the second Sunday in the month of April in the year prescribed for the renewal of the executive and legislative branches."

In the second case, the electoral apparatus would be complete by October. As we have noted, this presumes accelerated work, which might possibly complicate the situation. In any case, the parties and fronts would have only six months in which to wage their electoral campaigns.

Now then, according to Article 1 of Law 23903, "The president of the Republic will convoke general elections at least eight months prior to the date on which they are to be held." This means that the convocation must be issued by 15 August, at the latest.

Can this be done when the electoral bodies prescribed by the Constitution have not yet been established? Can the candidates for the presidency of the Republic or for the parliament accept the convocation under these conditions, when, for example, it is not known how the process of appointing the National Judgeship Council of the Magistracy was handled? (It will be remembered that in accordance with Article 182 of the new constitution, "The head of the National Electoral Procedures Office is appointed by the National Judgeship Council for a renewable period of four years." It is the duty of that official, this same constitutional article says, "to organize all of the electoral and referendum procedures and those of any other type of popular consultation, including their budgets, as well as to design and draft the ballot forms. He is also responsible for providing the documents and other materials required for the voting process and for publicizing its results."

To obtain a more accurate idea of how troublesome and slow the mechanisms conceived by the constituents of the New Majority and Cambio 90 (Change 90) are, it suffices to note the prescribed procedure for the appointment of the National Judgeship Council.

The Council has seven members, whose election is more complicated than the designation of the mandarins in Imperial China. One member is elected by the Supreme Court; another by the Higher Prosecutors' Council; another by the members of the national colleges of attorneys, by secret ballot; and two by the members of the other professional colleges, by secret ballot. One member is elected by the rectors of the state universities, and another by those of the private universities.

It should be added that some colleges have their own specific procedures for the election of delegates. The bylaws of the College of Engineers, for example, provide for a period of 90 days.

The steps involved in the election process in the colleges of professionals are oppressively slow. The normal period would be one day for the approval of the internal electoral calendar, 10 days for the publication and dispatch of the electoral calendar to the Departmental Electoral Commissions, 30 days for the checking of the census registers; eight days for coordination with the departmental electoral commissions on the design and color of the ballot forms, one day for the registration of candidates, two days for the publication of the names of the candidates, two days for the disqualification of candidates, two days for the decisions on disqualifications, two days for appeals against the decisions, one day for the final decision on disqualifications, another day for the drawing to allocate numbers to the candidates, another day for the publication of the announcement of the qualified candidates, 15 days for the dispatch of ballots to the departments, one day for the election process, 10 days for the receipt of the departmental balloting reports, 10 days for the national tallying process, and one day for the installation of the National Judgeship Council. In all—heavens above!—89 days. Three months.

In the event of a forced march, the process might be compressed into 57 days. But that is all. One is tempted to say, in the words of the refrain, "Clock, you don't keep time."

Impossible Either Way

Stage I involves the drafting of the organic laws, and the procedures required are discussion and approval of the draft and laws pertaining to the electoral system and the National Judgeship Council and their promulgation and publication, as well as the electoral committees of the colleges of attorneys and other professionals. The normal procedure would take 91 days, or if the steps were accelerated, 48 days.

Stage II involves the election of the members of the National Judgeship Council, and the procedures required include drafting the electoral calendar, polling the colleges, registration of the candidates, disqualification, etc., and installation of the Council. The normal procedure would take 99 days, or if the steps were accelerated, 57 days.

Stage III involves the appointment of the heads of the ONPE and the RENIEC, and the procedures required include selection and evaluation of the candidates and appointments. The normal procedure would take 31 days, or if the steps were accelerated, 15 days.

Stage IV involves the organization of the ONPE and RENIEC, and the procedures required include establishment of the internal regulations, the requesting of materials and personnel, the transfer of resources and equipment, and the reassignment of JNE [National Election Board] personnel. The normal procedure would require 60 days, or if the steps were accelerated, 37 days.

Thus all four stages together would require 281 court days normally, or with acceleration, 157 court days, representing 13 months and seven and a half months, respectively.

The five preceding paragraphs describe the various steps in the entire process, and the result is equally discouraging. Except for those who think that all the preparations have already been made, and that on the basis of the political situation, it is impossible for Fujimori and his military entourage to abandon government power in an ineffably exquisite democratic fashion. In the opinion of these skeptics, the government party does not care one whit that the opposition candidates would not have time enough to wage a real electoral campaign.

What Should Be Done?

An unrelenting analysis of the time periods required shows that the country will be faced with a dilemma. Either the elections will have to be postponed, or a formula for compromise making it possible to hold elections in accordance with the law and the Constitution must be found. In this connection, a proposal put forth by Roger Caceres, a congressman, appears to provide a means of salvation.

The proposal made by Caceres, which has been given support by Enrique Chirinos Soto and has received the provisional approval of the government party majority in the Constitutional Commission of the CCD, would put the electoral process in the hands of the National Election Board, for this one time. The Board would take over the functions of the National Electoral Procedures Office and the Civil Identification Registry.

Even Gilberto Siura voted for the proposal in the Constitutional Commission, although he explained that he only did so to speed up the process of getting the text referred to a plenary session of the CCD. On the other hand, it is reported that Carlos Torres y Torres Lara, the president of the Commission, exclaimed recently: "I believe that we have s...d this up!" At least he recognizes the fact.

Political Violence Statistics for Jan-Feb 94

94SM0308A Lima REPORTE ESPECIAL/DESCO in Spanish Feb 94 pp 5-8

[Special Report No. 34 issued by the Center for Development Studies and Promotion, DESCO: "Political Violence in Peru Today"]

[Text] January 1994's statistics on political violence were similar to those of November 1993. There were 34 incidents and 40 killings, more or less the same level as the early years of the subversive war.

Lima was again in first place in number of incidents: 11 acts of political violence took place in the capital, 32 percent of the total. All of the actions sought to maintain the operational presence of the Shining Path guerrillas who remain free. The incidents were of little importance.

The capital and forest regions occupied second place, with eight victims (23.5 percent) each. The most important subversive incidents took place in the province of El Dorado, where Shining Path carried out incursions in at least four villages, and in the area of Saposa, where it took part in two clashes with security forces.

The regional committee of the north took third place in number of incidents with three (9 percent). Two of these actions took place in provinces of the department of Ancash, and the third at the locality of Chiclayo.

There was a tie for fourth and last place between the principal committee (Ayacucho) and the southern region with two incidents (6 percent) each. Two incursions took place in the south, in Orurillo District, and there was a targeted killing and a guerrilla incursion in the principal region.

With regard to number of victims, first place was the regional forest committee with 20 victims, 50 percent of the total for the month. These were all guerrilla losses in at least two clashes in the Saposa area.

The principal regional committee took second place with eight victims (20 percent). They were all civilians, including seven peasants, three of whom died in an incursion in Huamanguilla District, and the other four because they discovered and handled a bomb in a locality near Huamanga. An official of the Ministry of Transport and Telecommunications was also murdered.

The regional committee of the south placed third with four dead (10 percent). These were all peasants murdered in a Shining Path incursion in Orurillo District.

There was a tie for fourth place between the regional committees of the center and of the north, with three victims (7.5 percent) in each. Two targeted killings took place in the central region, in Huancayo and Tarma, and a guerrilla was killed in a prison in Huancayo in a fight between two Shining Path factions. In the northern region, the three incidents were targeted killings. The most important was the murder of the president of the Peasant, Urban and Peaceful Night Patrols, Gilberto Diaz Vasquez. A lawyer and a school principal were also murdered in the department of Ancash.

Finally, last place in number of victims was occupied by the capital, with two dead (5 percent). One of the victims was a villager from El Pino mountain, and the other was a university student who was tortured in a police station and who was identified as a subversive.

Terrorist incidents by region: January 1994 (in percentages)

Lima	32
North	9
Center	24
Forest	24
South	6
Principal	6

Victims and Incidents in January, by Region

Regions	Victims					Incidents
	Armed Forces	Police	Civilians	Guerrillas	Total	
Center	0	0	2	1	3	8
Lima	0	0	2	0	2	11
North	0	0	3	0	3	3
South	0	0	4	0	4	2
Principal	0	0	8	0	8	2
Forest	0	0	0	20	20	8
Total	0	0	19	21	40	34

Victims by region; January 1994 (in percentages)	
Forest	50
South	10
Principal	20
Lima	5
North	8
Center	8

Political Violence Statistics—February 1994

February 1994 registered levels of political violence similar to those of the previous month, to those of November 1993, and to the first year of the guerrilla war.

This confirms a trend, at least with regard to incidents of political violence. There is an important decrease in the number of victims. There were 32 subversive incidents that caused the deaths of 19 persons throughout the country.

As is already known, Lima continues to take first place in number of incidents; there were 20 incidents (63 percent) of political violence in the capital.

Shining Path has tried to reestablish its presence, but it is becoming increasingly clear that it will not be able to attain 1992's levels of terror. The most spectacular incident was the detonation of a car bomb at one of the main buildings of the Peruvian Air Force, despite the fact that the surrounding streets are closed to traffic.

The regional committee of the center was in second place with six incidents (19 percent). One of these was carried out by what remains of the MRTA [Tupac Amaru Revolutionary Movement] in Chanchamayo. Shining Path also had two confrontations with security forces in the same province.

The regional committee of the north had the third highest number of incidents with four actions (13 percent). These all took place in provinces in Ancash Department.

There was a tie for fourth and last place between the regional committees of mid north and mid south, with one incident (3 percent) each. In Pisco, an attempt was made to ambush two magistrates, and in Barranca, the offices of the Municipal Water Service were burned down.

With regard to victims, the regional committee of the center had the highest number, with nine dead (47 percent), five of whom were subversives. Four Shining Path members died in two clashes with security forces in Chanchamayo and the other in an attack on a community of Ashaninkas in Satipo, where two members of the community also died.

Another civilian died accidentally during an action carried out by the MRTA while capturing the hydroelectric plant at Pichanaki. After the capture, the guerrillas mined the approaches, and a civilian died when he stepped on one of the mines.

This was one of the MRTA's most important actions since the capture of its kidnapping team in Lima.

Finally, a noncommissioned officer of the Dincote [Counterterrorism Directorate] was murdered by a Shining Path group in Huancayo.

Lima had the second highest number of victims with seven (37 percent), five of whom were policemen and two civilians. But only four of the civilians were killed by guerrillas. The fifth was killed by the Army near a military factory.

The regional committee of the north accounted for the third highest number of victims, with two deaths (11 percent), which were losses by the guerrillas in an assault on the locality of Huari.

Last place in number of victims with one killed (5 percent), was the forest region, where the president of the night patrols committee of Las Palmas, in the province of Leoncio Prado, killed a Shining Path member who had availed himself of the law of repentance, and who was working as a member of the patrols.

Terrorist incidents by region: February 1994 (in percentages)	
Lima	63
North	13
Center	19
Mid South	3
Mid North	3

Victims and incidents by region in February

Regions	Victims					Incidents
	Armed Forces	Police	Civilians	Subversives	Total	
North	0	0	0	2	2	4
Center	0	1	3	5	9	6
Mid south	0	0	0	0	0	1
Forest	0	0	1	0	1	0
Mid north	0	0	0	0	0	1
Lima	0	2	5	0	7	20
Total	0	3	9	7	19	32

Victims by region: February 1994 (in percentages)	
Lima	37
North	11
Center	47
Forest	5

Uruguay

Army Chief Concerned About Troops in Rwanda

PY1504033994 Montevideo Radio Carve in Spanish 0000 GMT 15 Apr 94

[Text] The Army is concerned about the situation of 11 Uruguayan officers whose lives are at risk in Rwanda. This was confirmed by Lieutenant General Daniel Garcia, Army commander in chief, who offered details of the Uruguayan officers' situation.

Garcia said that all military officers are free to leave the area, which is considered a high-risk area. The commander then explained:

[Begin Garcia recording] Our personnel, who are deployed in the country's north and south and in the interior, have been evacuated almost completely. They are in neighboring countries where they are being cared for. We obtained promises of help there. What concerns us is the situation of the personnel in Kigali. We have two officers at the local airport and nine at UN general headquarters, located in a soccer field in Kigali. The field is surrounded by a UN security battalion, which is surrounded by a battalion of government forces who will soon be attacked by the [word indistinct] forces.

We will be in a very dangerous position if the two groups begin fighting there. Even if the fighting is not directed against us, our men may suffer the consequences.

We hope, however, that the situation will improve because despite the days of killing and given the problems there, we have not noted any attacks against our own people. Except for the hostility against the Belgian forces, there have not been any problems with the other forces. [end recording]

Editorial Examines Cuba's Attempt To Blame U.S.

PY1404171494 Montevideo EL OBSERVADOR ECONOMICO in Spanish 6 Apr 94 p 2

[Editorial: "The Cuban Foreign Minister's Surprising Remarks"]

[Text] During the brief visit he made to our country, Cuban Foreign Minister Roberto Robaina disclosed to the Foreign Affairs Committee of the Chamber of Deputies some of the unusual concepts used by Castro's regime in its assessment of international reality.

The Cuban foreign minister thus disclosed to Uruguayan representatives the fact that "the time was not ripe" to institute political changes in his country "due to a still prevalent foreign pressure," an obviously allusion to the trade boycott imposed by the United States on the island's communist regime.

Furthermore, Robaina commented on the alleged violations of human rights in his country, noting that "the only argument those who are waging a human rights campaign against Cuba can cling to (sic) is the issue of political liberties and party affiliation."

The Cuban foreign minister has therefore openly paraded his lack of familiarity with current democratic thinking, according to which his remarks sound, if nothing else, surprising.

Indeed, his mere admission that the U.S. trade boycott is used as the underlying reason for the Cuban regime's systematic refusal to open the gates of freedom of expression in Cuba constitutes the clearest acknowledgment of the essentially arbitrary nature of the Cuban dictatorial regime.

Havana has cunningly devised a well-orchestrated attempt to present the U.S. boycott as a "blockade," an "embargo," or a kind of "sanitary cordon" that is virtually driving Cuba to famine. It should be clearly asserted that this is not the case. The United States has imposed a trade boycott on Cuba, thus severing all U.S. trade relations with this island. In the eyes of any stalwart supporter of Castro's regime, this ought to be simply a welcome gesture of consistency on the part of the United States. Not in vain has Castroism been preaching to the hemisphere, for nearly 40 years, about the most drastic rupture possible with the United States.

What is still more serious, however, is the attempt by Fidel Castro and his followers to construe this international political reality as the cause for their adamant refusal to allow Cubans to have access to democracy. This means, in the strictest sense of the word, that Cuban citizens are truly hostages to the communist regime.

Within this context, Minister Robaina's utterances concerning the campaign denouncing human rights violations—which can "only cling to" (sic) the systematic contempt for political freedom, including freedom of association—are even more revealing.

It is obvious that the Cuban diplomat brushes aside this area of public liberty as insignificant, and we have reason to believe that the regime he represents shares his views. In fact, it would be very interesting to listen to the commentaries of such a eulogist of Castroism, for whom the name of General Pinochet in Chile is, for example, anathema. He ought to explain right now, and clearly, what makes this repression desirable in Havana and yet revolting in other parts of the Americas.

This explanation will surely not be forthcoming for a long time, because even though Castroist leaders and

their sidekicks are not familiar with democratic values, they really know the dark side of the system they represent. Otherwise, Minister Robaina's efforts in Montevideo to express his wish to see a reality in Cuba which "in the not too distant future would involve living together under a multiparty system in that country" would become incomprehensible. These remarks are particularly suspicious in that they were uttered by a government official who until very recently labelled multiparty systems as "multi-rubbish."

Despite the praiseworthy attempts by the young Cuban foreign minister to present his country's political regime in the light of the promised economic changes—or at least to concede the clearly critical situation in Cuba—his remarks are neither convincing nor timely at a point when the island is facing a shutdown on its path toward freedom.

For all the persuasive attempts to disguise its actual makeup, the Cuban dictatorship is a reality that has outlived its useful life and is doomed to end up in the dusty attic where the sad ideology that once inspired it is already languishing.

Roundup of Economic Reports

PY1504023694

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay through 14 April.

Economy and Finance Minister Ignacio de Posadas on 30 March announced that total taxes on agriculture production will reach $17 million this year, 57 percent less than the previous year. Posadas said the reduction of taxes on agriculture activities is "without precedent in Uruguay's history." (Montevideo EL OBSERVADOR in Spanish 31 Mar 94 p 1)

The Uruguayan currency was devalued 2.3 percent in March. This monthly devaluation is the highest since June and July 1993, when it was devalued 3.6 percent and 2.5 percent, respectively. The price of the dollar has increased 6.4 percent so far this year and 26.8 percent during the past 12 months. Inter-bank interest at the end of March was 34 percent. (Montevideo EL OBSERVADOR in Spanish 4 Apr 94 Market and Companies Section p 2)

The National Statistics Institute, INE, reported that March's inflation rate was 2.85 percent and the total accrued inflation rate for the first quarter was 7.85 percent. Last year's first quarter's inflation rate was 10.5 percent. The difference between inflation and devaluation increased 0.52 percent in March. The total difference for the quarter was 1.5 percent and for the past 12 months was 16.6 percent. (Montevideo EL OBSERVADOR in Spanish 5 Apr 94 Economic Section p 6)

According to the INE, salaries maintained their purchasing power in real terms during the four months from November 1993 to February 1994. During this period salaries increased 11.2 percent while the inflation rate was 11.7 percent. (Montevideo BUSQUEDA in Spanish 7 Apr 94 Economic Section p 28)

Planning and Budget Office Director Javier De Haedo said the tertiary economic sector—services—represents 65 percent the country's GDP, adding that 622,000 individuals work in this area. De Haedo said that between 1983 and 1992 the primary sector of agriculture and fishing grew 14.4 percent, the secondary sector of manufacturing industries and electricity production by 24.2 percent, and the tertiary sector by 33.2 percent. De Haedo said exports and tourism added up to $2.69 billion in 1993. (Montevideo BUSQUEDA in Spanish 7 Apr 94 Economic Section p 29)

According to the INE, the unemployment rate during December 1993 and January and February 1994 was 8.1 percent. The report says the mean monthly income per home during this period was $5,968. (Montevideo EL PAIS in Spanish 8 Apr 94 p 8)

The National Telecommunications Enterprise, ENTEL, has decided to cancel the bidding for a second system of cellular telephone services after the Accounting Tribunal reported that the winning firm did not have the appropriate technical and managerial support. The bid had been won by the consortium Telefonica Internacional Holding BV made up by the companies Telefonica Internacional, France Cables et Radio of France, and Stet International SPA of Italy. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 1750 GMT 8 Apr 94)

The INE reported on 8 April that unemployment in Uruguay's interior urban centers dropped to 7.2 percent of the economically active population, PEA, during the last quarter of 1993. The drop, however, did not represent an increase in jobs but a drop in the number of economically active people seeking jobs. Last year the PEA in interior urban centers dropped to 53.6 percent, a full percentage point less than the previous year. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 1751 GMT 8 Apr 94)

Venezuela

Senate Approves Special Powers for President

PA1404023494 Hamburg DPA in Spanish 2053 GMT 14 Apr 94

[Text] Caracas, 14 Apr (DPA)—The Venezuelan Senate today approved the so-called Special Powers Act, granting special powers to President Rafael Caldera to decree economic and financial measures.

This law will give Caldera special powers to legislate, a function that basically belongs to the Congress.

The Special Powers Act was proposed to implement legislative initiatives pertaining to income tax, general

sales and excise taxes, tax reform, bank debit tax, the Stamp Tax Law, and the Concessions Law.

China Agrees To Purchase Orimulsion

94SM0298B Caracas EL NACIONAL in Spanish 10 Mar 94 p E6

[Article by Ana Diaz]

[Text] China is a very important client for sales of Orimulsion (R) and negotiations with Bitumenes del Orinoco (Bitor), PDVSA's [Venezuelan Petroleum, Inc.] marketing subsidiary for the fuel, have been concluded with agreement on the export to China of 5 million tons a year over the next five years, according to Carlos Borregales, the company's director. Beginning in 1995, the thermoelectric plant at Daga will use 1.2 million tons of the fuel.

Borregales, together with the president of Intevep [Institute of Venezuelan Petroleum Technology], Gustavo Inciarte, and the manufacturing director of Venezuelan Petroleum, Otto Martinez, explained to the Finance Commission of the Senate, chaired by Virgilio Avila Vivas, measures taken by Venezuela to prevent protectionist treatment against Orimulsion (the United Kingdom) and reformulated gasolines (the United States). The Bitor executive was optimistic that the fuel's classification as a natural bitumen would prevail at the Council on Customs Matters that will meet for four weeks beginning 4 April.

The classification of Orimulsion (R) as a natural bitumen has an excellent chance of being approved by the Council on Customs Matters, especially as the organization approved the technical report last week. The thermoelectric generating fuel, a product of Venezuelan technology by Intevep, would thus not be subject to taxes.

About 180 countries will participate in the meeting, of which 74 have the right to a vote and a veto, Venezuela being one of those with the right only to a voice. According to Borregales, the report with the technical data to support Orimulsion's classification as a natural bitumen is being sent to embassies for transmittal to their governments, so that they may have advance knowledge of the material prior to the April meeting.

Venezuela will request that Orimulsion be addressed during the second week of the council's meeting. Classification as a natural bitumen has an excellent probability of being approved by the 74 members of the council, among them the United States, Japan, Korea, and several European countries that gave their approval during the technical-scientific phase last week. Classification of Orimulsion as a natural bitumen (code 2714) is an important step in marketing the fuel in the old continent without facing protectionist barriers, halting the United Kingdom's offensive.

On 31 January 1994, the United Kingdom announced the application of a $10 per ton tax on the fuel next June, if the council decided to classify Orimulsion as a refined petroleum product (code 2715). Great Britain had pressed for the fuel to be classified a refined product during 1993, and that position halted negotiations for the sale of 3 million additional tons to major British electric companies.

Pressure from the United Kingdom resulted in Orimulsion's production at less than installed capacity (5 million tons) in Morichal. This caused losses to Bitor, said Borregales, although the firm's cash flow last year closed in balance.

Despite British pressure, the natural bitumen classification has majority support in the European Community because, of the 76 votes that the 12 member countries possess, 43 are favorable to Venezuela and 33 are opposed. Greece, Italy, Spain, Portugal, Denmark, Luxembourg, the Netherlands, and Belgium, with five, 10, eight, five, five, two, five, and three votes, respectively, support Venezuela, while Great Britain, Germany, France (10 votes each), and Ireland (three votes) are opposed.

Orimulsion exports have been growing, and while sales reached 721,000 tons in 1992, last year they totalled 2.79 million tons with a value of $65,676,600 at a promotional price of $23.54 per ton. PDVSA's Business Plan 1993-2002 provides for the export of 24 million tons of the fuel during the final year, with investments of $1.3 billion.

PDVSA Details Investment in Refineries

94P20642A Caracas EL UNIVERSAL in Spanish 24 Mar 94 p 7 Section 2

[Excerpt] The two major projects to modernize and expand the production capacity of the Amuay and Cardon refineries, which will make it possible to increase production of reformulated gasoline by 100,000 barrels per day, call for investment of 130 billion bolivars this year, according to a PDVSA [Venezuelan Petroleum, Inc.] report which includes additional information about other aspects of this industry in Venezuela.

The report says: "The dynamics of the market for hydrocarbons, the new environmental regulations of the industrialized countries, and the premise that we will continue to be a top oil-producing country lead PDVSA to continue to plan considerable investments in the medium and long term to upgrade its national refineries in order to adapt the variety of refined products Venezuela sells to the changing demands of the world market."

In most industrialized countries, the governments have established deadlines for compliance with environmental protection standards without reducing gasoline octane ratings. In view of these standards, PDVSA's operating subsidiaries are carrying out an investment

plan to ensure the quality required on our markets. Among their projects are the El Palito oxigenates plant, which came into operation in 1993, and the plant that is being built in Cardon. These plants will permit exports of reformulated gasoline to the United States beginning in 1995.

The investments, which are around 130 billion bolivars in Venezuela in 1994, are focused mainly on the Cardon Upgrading Project (PARC) and the Amuay Delayed Coker (CRAY). These projects will contribute to increasing the processing capacity for heavy crudes in Venezuela's current refineries by 100,000 barrels per day by 1995, while at the same time reducing residual fuel production by about 25,000 barrels per day in comparison with 1994 production. [passage omitted]

Caldera on Importance of Agrarian Reform

94SM0299C Caracas EL NACIONAL in Spanish 6 Mar 94 p D1

[Article by Wilfer Pulgarin]

[Text] President Rafael Caldera has expressed his regret that at the present time, 34 years after the agrarian reform program was adopted, this social and economic institution has suffered from a deterioration in its public image. At the same time he took advantage of the occasion to warn that a similar fate could affect the autonomy of universities and state governments.

The president, who was an honored guest at the anniversary ceremony held on 5 March at the offices of the National Agrarian Institute, stated that so noble an institution as the agrarian reform, which was promulgated on 5 March 1960, should be preserved and its name should cease being something which is "taboo."

He said that, in his view agrarian reform is now, according to a substantial number of Venezuelans, the origin of a process of "parceling out production funds to the political leaders of groups of farmers who exploited their lands and then left them in an abandoned and depressed state. They let them go, so that, finally, they fell into the hands of those who were prepared to work them and make them fruitful. They were therefore violating the provisions, limits, and principles set down in the law itself."

In the president's view that irreversible process can happen to university autonomy in Venezuela which, "in the view of large numbers of people, is nothing more than a symbol for disorder, conflict, class suspensions, and a low return in educational activity."

He extended his warning to "such an important institution as the autonomy of state governments (which) runs the risk of becoming a roadway for regional dictators and for the degeneration of the fundamental, necessary, and creative sense of our Venezuelan fatherland."

He observed that in view of the low opinion which agrarian reform has he has decided to suggest to Minister of Agriculture Ciro Anez Fonseca an addition to or even a change in that name, using such terms as "rural, democratic solidarity," "democratic solidarity in the countryside," "agricultural solidarity," "productive solidarity," etc.

However, he emphasized that the most important aspect is that the institution of agrarian reform should move forward. "With the conviction that the fight to rescue agriculture in Venezuela is an essential element, without which we could not offer to new generations of our people the security of a firm and solid economy and a country which enjoys its human rights and social peace in security. This is essential to conquer the future."

Also participating in the day's program, in addition to the chief of state and the minister of agriculture and animal husbandry, were Isabel Urbano, president of the IAN [National Agrarian Institute], and delegates from farmers' and production associations.

On the same occasion the president pointed out that democracy must confront in real terms the subject of land ownership and access to it by peasant farmers.

He referred to the problem of communities of indigenous people, stating that these groups should be provided with help to guarantee their natural habitat. At the same time they should be given suitable assistance to ensure their progress as citizens of the fatherland.

The president said: "I am committed to achieving an environment of peace, justice, equity, understanding, and harmony in the countryside, between capitalist enterprise which is beginning to emerge in many areas and the people who have a right to the land which they work."

He said that he was convinced that, "The bad name of the agrarian reform" has distorted the views of many people. He invited his listeners to read Chapter 7 of the book, *El Caso Venezuela, una Ilusion de Armonia* [The Case of Venezuela, an Illusion of Harmony], published by the IESA [Institute of Higher Education for Administration]. In this book, he said, the view that the agrarian reform law has been the factor responsible for the crisis in the agricultural sector is proved to be false.

Meanwhile Ciro Anez Fonseca, the minister of agriculture and animal husbandry, stated that the problem of refinancing the private agricultural debt, estimated at 40 billion bolivars, has been definitively resolved.

He said: "Now there is no need for concern about that problem. The banks are accepting a new way of treating customers who are behind in their payments, and there is no reason for anything but the optimism of 1994."

He explained that, in the first place, financial institutions have committed themselves to giving special treatment to customers in the agricultural sector who are behind in the repayment of their loans. He indicated that

in addition to this there is a formula which the government is developing which has the objective of providing the banking sector with the necessary resources to compensate for these delays in the repayment of loans.

He referred to the recently established commission for the evaluation of agrarian reform, which Victor Gimenez Landinez will head, as the instrument for providing a new start to the Law on Agrarian Reform, making use of the economic and social development of the country.

Marquez Interviewed on Relations With Colombia

[illegible]299D Caracas EL NACIONAL in Spanish 7 Mar 94 p A2

[Interview with Minister of State Pompeyo Marquez by Santa Fe de Bogota EL TIEMPO correspondent Orlando Gamboa in Caracas; date not given—first six paragraphs are introduction]

[Text] Few Venezuelans know the border between Colombia and Venezuela better than Pompeyo Marquez. Perhaps no one can be more precise and objective in his analysis of those rather tense 2,200 km of border where, as he says, "Anything can happen at any time."

President Rafael Caldera appointed Marquez minister of state. Among the duties assigned to him was handling Venezuelan border issues.

About one week after assuming this position he said that negotiations with Colombia are one of the present possibilities. Because of this remark, untranationalist Venezuelan groups demanded the dismissal of Marquez, a representative of the Movement Toward Socialism (MAS) in the government.

Marquez is a man who is committed to his people and to the humble. He fights for them 24 hours a day. Once he looked forward with patience for several years for the precise moment to escape from the jail where he was held prisoner by guerrillas.

Today this old "subversive" says that in Colombia the guerrillas have no political objective and that they have violated their promise not to attack Venezuela.

In the two-room office there are three desks and four employees. (He is the fourth employee.) The office is decorated with a vivid poster which says that Minister of State Marquez spoke with an EL TIEMPO representative and said things which were not very comforting.

[Gamboa] Your appointment as minister of state, with a special assignment to border issues, is interpreted as a clear sign that President Rafael Caldera has a real interest in resolving existing problems with Colombia. Could this mean, perhaps, that the possibility of a solution is now at hand?

[Marquez] Yes, undoubtedly. The desire of President Caldera, demonstrated throughout his life, is to have harmonious relations with Colombia. That has been his constant purpose. It was he who brought Venezuela into the Andean Pact. Furthermore, during the election campaign he said that the border question would have priority and he is keeping this promise. His desire and will are aimed at that objective. Among my duties are not only matters along the 2,200 km of the tense border with Colombia but all questions along the entire border, which involve Brazil, Guayana, and the Caribbean. Venezuela should no longer be so active in world affairs but rather should concentrate on its immediate surroundings.

[Gamboa] Then what do you need to resolve those problems along what you call the tense border with Colombia?

[Marquez] There is a series of new and very grave situations. About a week ago I visited the Tachira area and other border zones. I should emphasize my conclusion that there is a total and permanent absence of the authority of the Colombian Government in the border area. This situation causes many problems: the activities of the guerrillas, narcotics traffickers, common criminals, automobile thieves, and illegal immigrants. These are disturbing situations. They are new, but there are other, old problems which have become worse.

[Gamboa] There is a tendency to believe that a "greater Colombian presence" means a greater military presence. Do you agree with this view?

[Marquez] It would be a military and a government presence. The fact is that there is no Colombian Government presence in the border area, and Venezuela suffers the consequences of this serious situation. I have been saying for many months, not just now, what I said in October 1993 in Bogota, that there is no Colombian Government presence there. And the Colombian Government should understand this situation and something which is much more serious: relations between the two countries are involved. This is a reality. I predicted what could happen with Venezuela if corrective action were not taken.

[Gamboa] And did this happen?

[Marquez] It went beyond all of my predictions. After my visit to the border my prediction did not become a reality because the situation is much, very much more serious because of the kidnappings and murders which take place on Venezuelan territory, because of the nonpayment for guerrilla "cattle," and because of the extortion which increases every day.

[Gamboa] What are the consequences of this situation which, in your view, went beyond your predictions?

[Marquez] A process is taking place which is contrary to the desired objective of economic and social development in the border area. Disinvestment is taking place. Land and other kinds of property are being abandoned, and property owners are moving to other areas. And this

is a harsh blow against all of the progress made in terms of integration, although this is a subject for the Ministry of Foreign Affairs.

In the committees on border affairs and on negotiations we have raised this situation with the Colombian representatives. They are aware that there are only three alternatives. We have discussed this at the negotiating table. Either there will be an armed conflict, or we will live in a state of permanent tension, or we will negotiate. There is no other alternative. Everything else is a version of these three solutions. Of course, I am an advocate of negotiations.

[Gamboa] Because you said that, some people asked for your dismissal only one week after you took this position. What will they say now?

[Marquez] This is a free country, and we already know the position of those groups. It annoys them that I am a supporter of negotiations.

[Gamboa] Are you suggesting that those groups support another kind of solution—armed confrontation, for example?

[Marquez] I am not suggesting anything. I only say that it irritates them that I am in favor of negotiations.

[Gamboa] But do you not believe that by insisting so much, over the long term those groups could achieve their objectives?

[Marquez] That will depend on me and on what I do.

[Gamboa] And could not the greater Colombian military presence which Venezuela is calling for heat up the frontier area even more and cause armed conflict between the two countries?

[Marquez] Not necessarily, because our activities could be coordinated. Meetings have been held between the military commands and the security organizations of the two countries. Agreements are urgently needed for precise coordination, because the escalation of guerrilla and criminal activity are generating honest feelings which could be exploited. The burden of what Venezuela receives from Colombia is too much. This is a highly negative burden which keeps the whole country worked up. It is bringing us to certain limits.

The situation has already gone from bad to worse. There is real distress, irritation, and fear, and the Venezuelan people feel they are victims of aggression, because the country, in fact, is a victim of aggression. And as Venezuelan Minister of the Interior Ramon Escovar Salom said, the entire country has to react to an act of aggression of which it is the victim. And it is aggression in the sense that the Colombian Government is contributing to it by its acts of omission. It is aggression by all of the elements opposing us. Even one of them would be serious. Altogether, the total of all of them is very serious.

[Gamboa] Perhaps Venezuela has had to look at this situation because, with proper control, illegal immigrants would not come into Venezuela, the criminals would not come, and stolen automobiles would not leave the country.

[Marquez] Yes, but that is the least of it, because those are phenomena outside our control. The fact that the guerrillas have moved from the cold country to the warmer areas is not a matter for Venezuela to decide. They cannot attack Venezuela and, above all, they cannot attack people who support border development. In the view of Pompeyo Marquez the Colombian guerrillas have no political objective.

[Gamboa] What do you think of the view that the guerrillas are seeking, as part of their political objective, to provoke a clash between the two countries so that they can benefit from the division between them?

[Marquez] That would be criminal, because a guerrilla war or an armed clash between Colombia and Venezuela—may it never happen!—would be suicide for both countries. It would be a horror, a catastrophe, an act of madness.

[Gamboa] But is this possible?

[Marquez] I have the feeling that the guerrillas would like to internationalize the problem. And this is a subject to be handled by the two ministries of foreign affairs, the two governments, or the two presidents. The guerrillas know that the Latin American community will not permit, for any reason, an armed clash between Colombia and Venezuela.

[Gamboa] According to your analysis, it could be thought that the delimitation of our marine and submarine boundaries could soon and for a temporary period be left in the background. Do you share this view?

[Marquez] Not only moved to the background but to a less important position. Today the key problem is that of aggression in many areas. We have to resolve this matter first. A popular song says that, "Saturday comes before Sunday." For the moment it is Saturday and a serious, very serious Saturday. I was truly worried when I returned from my trip to the border. There is no peace there, and peace is wanted immediately.

[Gamboa] Is it right to think that the people's patience is wearing thin to an extent which makes the situation dangerous?

[Marquez] Patience no longer exists. It has been worn out. And now I take advantage of this opportunity to repeat: the Colombians who support friendship with Venezuela and the Venezuelans who support friendship with Colombia—we should be very worried. There is a generalized climate of violence in which anything can happen, and that is what we must avoid.

[Gamboa] How would you summarize the situation?

[Marquez] It is a somber and harsh reality. It is very harsh, very dangerous, and it could have unpredictable consequences. Anything could happen at any time.

AD Expels Members for Supporting Other Parties

94SM0299A Caracas EL NACIONAL in Spanish 5 Mar 94 p D2

[Article by Rafael Nunez]

[Text] About 6,000 members of Democratic Action [AD] have been expelled from the party after the Sectional Executive Committees reviewed their cases because they were nominated for office by other political parties in the last elections held in December 1993. These former members had publicly criticized the presidential candidate and the party.

This information was confirmed by official AD sources who explained that persons who were members of the parliamentary boards of other political groups were automatically suspended from membership.

The cases of other persons who campaigned against AD, either because they were opposed to the present, national leaders of the party or for other reasons, were turned over to the AD disciplinary tribunal, with the recommendation that they be expelled, as agreed to by the National Executive Council early in 1994.

It was stated on 4 March that, in addition to national AD leaders affected by this strong action, among whom were Juan Jose Delpino, Enrique Tejera Paris, Orlando Elbittar, Humberto D'Ascoli, and Roberto Pocaterra, the extensive list also included regional AD leaders such as Lucia Barrios de Miraglia, niece of Gonzalo Barrios, who had been president for life of AD, and in her own right was former governor of the State of Portuguesa for AD. The list also included Jose Ignacio Casal, former minister of development and a former AD senator, and Marcos Garzon Bolivar, a member of the Legislative Assembly of the State of Sucre.

CSE Calls For New Elections in 3 States

94SM0299B Caracas EL NACIONAL in Spanish 8 Mar 94 p D1

[Article by Graciela Garcia]

[Text] On 7 March the Supreme Electoral Council [CSE] approved partially repeating the elections for governor in the State of Delta Amacuro on 10 April, the same date approved for partial reelections in the State of Lara. It also agreed to hold completely new elections in the State of Amazonas on 24 April, as provided for in the Law on the Election and Removal of State Governors.

The action was taken with six directors of the CSE voting in favor and five against, with two, independent directors abstaining.

Isidro Morales Paul, president of the CSE, said that in the case of the State of Delta Amacuro, as well as that of the State of Lara, the new elections would take place in only a certain number of electoral districts, in accordance with the election results annulled by the Supreme Court of Justice. In the State of Amazonas the election will be completely repeated.

Furthermore, it was decided that the mayoral election in the town of San Sebastian del Tachira (State of San Cristobal) will be held on 17 April, while the mayoral election in the town of Rojas, State of Barinas, was set for 15 May.

Morales Paul pointed out that a special commission will be appointed, consisting of Rodolfo Zapata, director of data processing; Manuel Vasquez, director of electoral systems; and Carlos Flores Conde, (acting) legal consul. The commission will review on a case by case basis the manner in which elections are to be held to determine whether very short campaigns will be required, as well as determine the budget necessary for holding them.

Morales Paul stated that the approximate cost of these three elections (in the States of Delta Amacuro, Lara, and Amazonas) would be in the order of 40 million bolivares. He said that the ordinary resources of the CSE will be used, "in order to avoid harming the interests of the voters. We will request the necessary funds through the Ministry of Internal Relations and Congress."

For his part Ruben Jaen, an independent member of the CSE, stated that the repetition of the elections would cost in the order of 25 million bolivares in the State of Amazonas and 100 million bolivares in the States of Lara and Delta Amascuro. He said: "The immense expenditure which is going to be incurred, in the absence of these new elections being entirely justified, should be a matter of concern to us."

Jaen said that he does not agree with the decision by the Supreme Court of Justice, although he respects it. At the same time he emphasized the fact that this decision of the Supreme Court "does not order the repetition of elections in the State of Lara but rather orders the CSE to determine the impact which such a cancellation would have on the overall result of the elections."

He pointed out that these decisions—in his view not supported by arguments of sufficient weight—threaten to keep the country in a permanent state of elections. He went so far as to say that: "From now on the slogan of Venezuela will not be that it is a country to love but a country to vote, since there will be very frequent elections."

CANTV Finances Fiber Optic Cable Project

94SM0298A Caracas EL DIARIO DE CARACAS in Spanish 3 Mar 94 p 13

[Article by Gabriela Zavatti]

[Text] Venezuela has joined advanced technology in telecommunications with the submarine cable system "Americas 1," the first digital fiber optic system in Latin America, which will permit the transmission of television, voice, and digitalized data, leaving behind the analogue system.

Laying of the first cable began yesterday, at 1400, starting from the shores of Camuri, on the central coast, aboard a British ship bound for Trinidad. The procedure will take 24 hours, after which our country will be connected to the system, which will be offered to domestic and international users on 1 September.

At the national level, the project is being financed by CANTV [National Telephone Company of Venezuela]. At the same time, 53 communications companies representing 46 companies are also participating. Total investment amounts to $230 million; the project contemplates a network of 7,500 km of fiber optic cable. Venezuela is the second largest investor in the project, surpassed only by the United States. In addition, it constitutes one of the cable's land connections, at Camuri. The national telephone company plans to recover its investment in two years.

Manuel Caceres, CANTV's vice president for international operations, called the system an "information superhighway" that will unite the country with the rest of the world, at the required speed and efficiency. It will connect Venezuela with North America, the Caribbean, and South America, in order to offer digital telecommunication services between the continental area of the United States, St. Thomas, the Virgin Islands, Trinidad and Tobago, and Brazil.

The system has four branches. The first, from St. Thomas to a deep interconnecting point in the Atlantic at a distance of 1,700 km to the south, was installed on 5 January 1993. The second was from that interconnecting point to Trinidad, over a distance of 583 km. The third—whose laying began yesterday—connects Trinidad with Camuri at a distance of 781 km and the last, which ties in the interconnecting point in the Atlantic with Fortaleza, Brazil, at a distance of 3,000 km was installed on 19 January 1994.

The "Americas 1" is only one of the projects in the telecommunications field; another is Columbus II, whose cable will be added to networks that go in the direction of Mexico, the United States, and Europe, reaching places as distant as Turkey and Israel.

CANTV has also planned the construction of a coastal cable that borders Venezuela and joins the Colombian system to have access to fiber optic cables of the Caribbean.

It will also encourage cable networks from the United States in the direction of Japan, where the connection with Korea, Hong Kong, Taiwan, and Singapore is already being negotiated. The most important Venezuelan telephone project in the international area is the fiber optic belt, which will cover the entire planet in the future.

The first of the fiber optic submarine cables that involved Venezuela directly was that which began to be installed yesterday, at a cost of $60 million.

This technology transmits a signal by means of a beam of light that has to be revitalized every 130 km with a repeater. This first course will have 10 repeaters.

The fiber optic, protected by a double armature of copper and steel, is the size of a human hair, and among its advantages is that of guaranteeing the greatest capacity and best quality of communications in traffic, high velocity of telephone transmissions, and of special services in voice, data, television, and video.

The cable uses two and three pairs of fiber in its first and second connections, respectively, to Trinidad, which will allow the establishment of 8,000 calls per pair each second.

The French firm Alcatel is responsible for manufacturing the cable, repeaters, and auxiliary equipment, as well as for marine and land supply and installation. The testing period will begin at the end of March in order to start commercial operations at the beginning of September.

CANTV Details 1993 Financial Report

94SM0298C Caracas EL DIARIO DE CARACAS in Spanish 11 Mar 94 p 16

[Article by Raul Chacon Soto]

[Text] The National Telephone Company of Venezuela (CANTV) reported its financial performance during 1993, which registered a net profit during the year of 30.72 billion bolivares. This net profit signifies 10.6 percent profitability based on the firm's assets adjusted for inflation.

According to the company's communique, earnings were fully reinvested in expansion and modernization programs and improvement of telephone services, that have been taking place since privatization. A total of 69 billion bolivares was invested in these programs in 1993, considerably more than investments in 1992, which were 34.7 billion bolivares.

Stockholder composition remains unchanged. The transfer of 10 percent of the company's shares to the workers was completed in 1993, which together with 1 percent allocated to the Incentives Plan, accounts for 11 percent of CANTV's shareholder capital.

The Republic of Venezuela owns 49 percent of the firm's shares through the Investment Fund of Venezuela and the Ministry of Transport and Communications.

For its part, the Venworld consortium, made up of domestic companies such as Electricidad de Caracas and Grupo Cima, and international firms such as GTE, Telefonos Internacional, and AT&T, owns the remaining 40 percent of the shares.

The firm has connected more than 251,000 new clients, which represents an increase of 456,000 new subscribers, raising the telephone density of the country from eight to 11 telephones per 100 inhabitants.

More than 5,000 public telephones were installed throughout the country and 12,000 units were replaced with new technology. With regard to modernization of the telephone system, the number of digital lines available to clients increased to 44.7 percent, which represents an increase over 1992, when the share was 33.8 percent, and over 1991, when only 20 percent of the lines were digital. In the area of cellular telephones, the company raised its number of clients to 56,000 (268 percent), to finish the year with 77,000 clients. On the other hand, debt increased by 42.4 billion bolivares during the year, reaching a figure of 68.9 billion bolivares by 31 December 1993.

Since its privatization, the firm has generated a number of benefits. For one, Venezuela received $1.885 billion from the sale of 40 percent of its shares.

As a privatized firm, it has invested more than 103.7 billion bolivares in the expansion and modernization of telephone services and more than 11.1 billion bolivares have been paid in taxes to the Treasury. Public spending has decreased through the transfer of 20,000 workers from government rolls to private enterprise. New sources of employment, direct and indirect, have been created. The firm has spent more than 20 billion bolivares each year for material and equipment from domestic suppliers and has contributed to the development of the capital market by the placement of commercial paper.